THE WHITE HOUSE

WASHINGTON

June 12, 1995

MEMORANDUM FOR CAROL RASCO
ALICE RIVLIN
ELAINE KAMARCK

CC: MARCIA HALE

FROM: Paul Weinstein
Gaynor McCown
Jonathan Breul
Bev Godwin

SUBJECT: **Followup on Hatfield/Local Flexibility Act**

On May 31, the DPC and OMB co-chaired an interagency meeting on Senator Hatfield's Local Flexibility Act. The purpose of the meeting was to discuss agency concerns regarding the bill, and the issue of an Administration endorsement. The general consensus of the agencies from a policy perspective was the Administration could endorse the bill, but only if it were significantly scaled-back and modified in other ways to make it consistent with other Administration initiatives for local and State governments.

Agency Concerns

Three general areas of concern arose during the meeting:

1. Process -- The consensus of the group was that the Hatfield bill was too complex and difficult to administer as currently drafted. The net of potential applicants is too wide, the amount of waivers to be considered too broad, and the bureaucracy needed to review the waivers would be too large and cumbersome -- thus defeating the chief purpose of the bill -- creating more flexibility. Some possible solutions suggested included limiting the number of applicants per State over the five year authorization, limiting by need (economic or social distress), or limiting by purpose (produce savings for the Federal government, reduce unemployment, reduce illiteracy, etc.). Some on the Vice President's staff recommended that the competition should be limited to EZs and ECs.

Everyone in the group also supported extending the review of the waiver requests to at least 120 days (consistent with the President's EO 12875) rather than the 45 days listed in the Hatfield bill.

2. Accountability/Benchmarking -- The group also felt the bill was too weak on accountability and performance/benchmarking requirements. Everyone felt that a comprehensive strategic plan, with specific benchmarks (based on the Oregon model), and accountability for results should be a minimum condition for receiving the inter-agency waivers. In addition, some in the group also felt there should be stronger requirements for

waivers. In addition, some in the group also felt there should be stronger requirements for leveraging resources with the private sector, state and local governments, and the non–profits. Others also recommended that consultation with these groups in developing the plan be a prerequisite for consideration.

3. Waivers -- Some agencies were in general, opposed or concerned about moving forward with greater waiver authority. Certain agencies asked for exclusions for the departments in the legislation, like we had in last year's legislation.

Another issue raised was whether or not the legislation should also extend waiver authority to the States (currently the bill only provides waiver authority for local governments and community development corporations and organizations.)

Congressional Outlook

Senator Hatfield's staff has been promised hearings on S.88 later this summer by Chairman Roth, as part of a larger hearing on Federalism. Representative Chris Shays (R–CT) is planning to introduce over the next few weeks a companion bill in the House. Senator Dodd's office also continues to have interest in this concept and would like to participate in any discussions with Hatfield's staff.

Analysis

The interagency working group is proposing significant changes in the Hatfield bill. It is not clear that the Senator from Oregon would accept all these recommendations, and whether a scaled–back bill would be a bold enough response to the Republican's agenda for State and local governments (e.g. block grants). However, we could approach his staff and see where there is common ground.

The key issue that needs to be resolved is in light of the changes recommended by the agencies, would a scaled–back version of the Local Flexibility Act meet your expectations (e.g. is it still aimed sufficiently in the right direction and complementary to performance partnerships?)

Recommendation

It is our belief that even a scaled–back version of the Local Flexibility Act would be highly beneficial for communities and complementary to performance partnerships and the Empowerment Zones/Enterprise Communities Initiative (see attached article). We recommend sending a letter to Hatfield with the suggestions made by the agencies and ask for the opportunity to meet with their staffs to discuss some of our concerns. We also suggest that we try to bring Senator Dodd's staff into these discussions in order to broaden the legislation's appeal across party lines and to increase the chances for passage. A parallel discussion should be started in the House, once Representative Shays introduces the companion bill. We also suggest that the President consider making a general, but positive statement regarding Senator Hatfield's Local Flexibility Act at his June 20th speech to the Conference of Mayors.

Decision

_____ Agree

_____ Discuss Further

THE WHITE HOUSE

WASHINGTON

June 12, 1995

A MEMORANDUM FOR CAROL RASCO
MARCIA HALE

FROM: GAYNOR McCOWN
PAUL WEINSTEIN

SUBJECT: PERFORMANCE PARTNERSHIPS WITH CITIES

cc: Elaine Kamark
Beverly Godwin

The Vice President recently asked Elaine Kamarck to send him some information regarding an "Oregon Option-type" partnership with cities. This request was in response to a letter from Newt Gingrich to mayors asking them to tell him their problems so that Congress could try to "fix" them.

Attached you will find a memorandum from Beverly Godwin to Vice President Gore and Elaine Kamark about the possibility of our entering into such a partnership with cities. In this memorandum, she outlines the pros and cons of an Oregon Option-type initiative and she has laid out some options of other things we may want to do for the mayors.

As you know, the President is speaking at the meeting of the U.S. Conference of Mayors in Miami on June 20. This may be a good opportunity for him to make some announcements regarding our plans to work with the cities. In particular, he could indicate his support for the basic tenets of the Local Empowerment and Flexibility Act (S. 88). Page two of the attached document contains some other suggestions as well.

We hope you find this information useful.

MEMORANDUM TO: Vice President Al Gore
Elaine Kamarck

FROM: Bev Godwin

SUBJECT: Performance Partnerships with Cities

In response to Newt Gingrich's "offer" to mayors to tell him their problems so Congress could try to fix them, I have: 1) examined the pros and cons of an Oregon Option-type partnership for cities and 2) laid out some options of other things we can do for mayors, perhaps to announce at the next meeting of the U.S. Conference of Mayors in Miami, June 16-20.

In sum, Oregon Option-type partnerships with cities (or metropolitan areas) are feasible. An invitation to mayors could be made, offering partnerships where we all work towards agreed upon results through increased flexibility and accountability. However, there are pros and cons to such an initiative, and the initiative should be looked at in the context of other options which may be more appealing to mayors.

Performance Partnerships with Cities

- o President or Vice President could invite mayors to come forward to enter into performance partnerships.

- o Principles of such partnerships should be laid out up front with mayors to show evidence of cities' interest and commitment toward working towards results.

- o Virtual teams to partner with cities could be coordinated by NPR, the CEB work group, the White House Office of Intergovernmental Affairs, the Domestic Policy Council, or the Crime Prevention Council.

Pros of Performance Partnerships with Cities:

- o Moves all levels of government towards performance and accountability for results
- o Builds on the theme of bottom up reform
- o Recognizes that innovation is happening at the local level
- o May be best way for Federal government to help cities in time of shrinking federal dollars

- o Recognizes more flexibility is needed
- o Acknowledges need to partner, that none of us have all the answers
- o Offer middle ground between current system and no strings block grants to States
- o Provides participating cities with single-point-of-contact for interagency issues
- o Continues and builds upon the progress of this Administration

Cons of Performance Partnerships with Cities

- o Not very attractive to mayors
- o Diverts energy away from existing initiatives
- o Staff-intensive
- o May not be able to meet cities' expectations

Other Options

- o Focus on negative GOP budget cuts
- o Offer to work with Gingrich on problems cities have already identified
- o Address cities' fears of State-administered block grants
- o Strongly endorse Local Empowerment and Flexibility Act
- o Implement Virtual Secretary (City Desk) concept for large number of cities.
- o Brag about what Administration has already done (e.g., EPA has removed 25,000 sites from federal monitoring; HUD's automated, consolidated plan to replace numberous paper planning and reporting requirements)
- o Combine performance partnerships with new initiative, such as strongly encouraging metropolitan-wide strategies to solve urban problems

In the attachment to this memo, I provide background information on the Gingrich offer and the scope of this issue, and more detail on the ideas outlined above. These ideas were developed with the help of a brainstorming session with various staff from the White House policy councils, NPR, OMB, Community Empowerment Board work group, and the agencies that send the most money to the cities. I have also discussed these ideas with Mayor Bredeson of Nashville, who was extremely helpful in providing insights from our customers' perspective.

ATTACHMENT

PERFORMANCE PARTNERSHIPS WITH CITIES -- BACKGROUND AND MORE DETAIL ON PARTNERSHIPS AND OTHER OPTIONS

Background

On April 13, 1995, Newt Gingrich sent to the mayors an outline of a possible Contract with the Cities asking for their assistance in further developing the contract (Appendix A). The proposed contract asks the cities to:

- Identify all the things the federal government does to you that are stupid; how much they cost; and how much money Congress doesn't have to send cities if we eliminate them

- Identify particularly destructive federal ideas and destructive departments

- Identify specific problems

- Bring your good ideas to us

- Provide specific ideas on how, at the local level, to:
  - Create jobs
  - Transform the culture of poverty and violence
  - Develop a system to allow cities to keep 20% of whatever savings accrue from administering local programs and contracts more effectively
  - Dispose of federal assets
  - Use electronic communications for better teamwork

Newt Gingrich promises to hold hearings on these items; to perhaps eliminate or severely cut back "stupid" things; and to try to pass legislation to correct problems or implement good ideas.

U.S. Conference of Mayors outgoing President, Victor Ashe, appointed an 8-member Special Legislative Task Force to develop and present mayors' priorities to the House Speaker. The members of the task force, chaired by Ashe, are Mayors Norm Rice (Seattle), Richard M. Daley (Chicago), Jerry Abramson (Louisville), Robert Isaac (Colorado Springs), Joseph Riley, Jr (Charleston), Deedee Corradini (Salt Lake City), and Elizabeth Rhea (Rock Hill). We understand that the Conference requested a meeting with the Speaker, but he has not yet met with them.

The Scope -- How Many Cities and How Much Federal Money?

In looking at the possibility of offering the mayors an Oregon Option-type partnership, we examined the potential scope of this. The latest available data from the census bureau shows there are 19,296 incorporated cities. However, 19,003 of these cities have populations less than 75,000. Looking at cumulative totals, there are only 8 cities with more than one million population, 24 cities over 500,000, 52 cities over 300,000, and 76 cities over 200,000. Appendix B provides more detail on the number of cities by population groupings.

In terms of funding, just over $8 billion in federal funds went directly to cities in 1992, according to city audit reports showing their revenue sources. Of the $8 billion in direct federal funding to cities, most is provided for community development, transportation, and education. Appendix C provides more detail on direct funding to cities by function. However, this $8 billion significantly understates the amount of federal funds in cities as it does not include federal funds provided to states which then go from the state to the city or funding to public housing, local non-profits, or special purpose governments, such as school disticts. The national total level of federal funds used in cities is not available.

The number of programs for which States and cities can compete gives an indication of the fragmentation of the federal dollars. According to GSA's Catalog of Federal Assistance data base, there are 819 programs (grants, loans, technical assistance, services) that States can apply for. Of these, 659 are grant programs. There are 509 programs that local governments may apply for directly.

An Oregon Option-Type Partnership with Cities

What?

The Oregon Option is a partnership where citizens and all levels of government and the private sector focus together on the results we are trying to achieve, discuss best strategies to effect those results, identify barriers to implementing those strategies and to achieving results, and then work together to remove those barriers at all levels of government. It is a partnership that looks to increase both flexibility and accountability for results. This intergovernmental, interagency partnership builds upon Oregon's pioneering work with setting benchmarks of where they want to be as a society and measuring their progress towards achieving those benchmarks.

The Administration also has ongoing partnerships with Indiana and West Virginia to consolidate children and family programs, coordinated through a team approach from the federal regional offices. We are also in early discussion with establishing a partnership with Minnesota similar to the partnership with Oregon. The Administration has also proposed Performance Partnerships (mostly with States) around specific program areas in the President's Budget and as a part of NPR Phase II.

Similar partnerships with cities are certainly feasible. The President or Vice President could provide mayors with a brief description of the Oregon Option and invite them to come forward with their own proposals of where it would make sense for their cities to form a partnership with the federal government based on results. We would work with cities (or metropolitan areas) where they are, on their priorities. We would provide participating cities with a single point-of-contact to assist in breaking down barriers to meeting agreed-upon goals. We provide them increased flexibility based on their performance towards meeting local and national goals.

To avoid hundreds of cities rushing forward, some minimum evidence of interest and commitment could be laid out up front as it was with Oregon, and/or we could start with a few places and add others each year. For example, such partnerships should:

- Start with a process through which local citizens and leaders could reach consensus on a vision of where they want to be, how they want to get there, and where they think the federal government can be of most assistance.

- Be intergovernmental and interagency, bringing together the private, community, local, state and federal levels to agree on desired results, to break down jurisdictional boundaries and work together, with shared accountability, to achieve results for the public.

- Given the important role that the private sector plays in urban development, business leaders and nonprofit groups also should have a role.

- Be structured, managed, and evaluated on the basis of results (i.e., progress towards achieving the city's desired vision).

- NOT be about more money but about re-directing funds to better achieve agreed-upon results.

<u>Why?</u>

The Federal response to urban problems has historically been fragmented and incomplete, perhaps in part a consequence of jurisdictional boundaries of both Congressional committees and Federal bureaucracies. Major Clinton initiatives -- including Health Care reform, Welfare Reform, the strengthened EITC, Goals

2000, Community Policing, Headstart expansion, and the labor and reemployment initiatives -- will benefit urban areas. Beyond these, Empowerment Zones and Community Development Banks will help. However, budget constraints virtually rule out major additional spending. To do more, we must reinvent the jumble of federal regulations and the myriad bureaucratic impediments to effective use of limited public resources across grant programs for economic development, housing, transportation, schools, job training, and health care.

It has been a long time since national leaders brought focus to urban problems -- inner city decay, concentrated poverty, racial isolation. While we work to fashion fresh solutions that will command national and local majorities, we must simultaneously have a fresh conversation about fundamental values and goals, what strategies to pursue, how to measure success, how to break down barriers to success, and what roles should be played by different levels of government and the private sector. This dialogue is an essential political predicate for meaningful change at the national level and in participating urban areas and will require substantial investment of federal leadership. No amount of discussion will lead to a perfect consensus for the nation as a whole on what handful of problems are the most important to be addressed in every metropolitan area or how to do so. The most concrete product of this dialogue will be a set of local goals and benchmarks which captures, for each urban or metropolitan area, consensus measures of national and local priority concerns and provide them the means for tracking their own progress.

New Federal initiatives must break with unsuccessful efforts of the past by incorporating accountability based on performance in return for broad local discretion and flexibility. We should reject another generation of giveaways to traditional constituencies and, instead, offer a vision which rewards and fuels bold efforts by the people and leaders closest to the problems. In order to reward communities for effort and progress in meeting national and local performance targets, funding and generous flexibility must be based more and more on performance -- at all levels of the intergovernmental system.

How?

Through the leadership of the President and Vice President, the June mayors' conference can restart the important national and local dialogues on the vision for cities and how we measure whether we are achieving the vision. The President can invite mayors to join them in this dialogue and to begin to form partnerships for results.

There are several options for how such partnerships could be staffed at the federal level after an invitation to mayors to come forward with their priorities and proposals:

Community Empowerment Board. The Community Empowerment Board is one logical place to house partnerships with cities, especially cities with designated empowerment zones where we have already established partnerships (Atlanta, Baltimore, Chicago, Detroit, New York, Philadelphia/Camden). However, some have expressed concern about the current Community Empowerment Board working group taking on anything more than the heavy workload they already have with the EZ/ECs. Nevertheless, additional staff could help the CEB work group in performance partnerships with cities.

Crime Prevention Council. If cities come forward with prevention strategies, the Prevention Council is the logical place and is quite eager to staff such partnerships.

National Performance Review. The NPR leads the Oregon Option effort through an interagency virtual team. The agencies involved are in the human services area (HHS, Education, Labor, Justice, Agriculture, Commerce) because of the issue areas Oregon chose to focus on. This NPR-led team could be redesignated "State and Local Initiatives Team" and could bring in staff from additional agencies, particularly those which are most prominent in cities (HUD, Transportation, EPA). NPR could be the focal point for cities' initial requests and then form virtual teams or farm out to existing teams (e.g., Prevention Council, PACT, CEB Work Group) or agencies depending on a city's focus.

City Desks for these Partnerships Only. Participating cities could be provided a single point-of-entry into the federal government through one federal employee who is so designated (Janet Reno's city desk concept). This federal partner for the city would facilitate and troubleshoot, bringing together the right people and information from across the federal maze as needed. These city desks could be located in various agencies depending on the main issues of that city, depending on agency initiatives already prominent in those cities (e.g., EZ cities, PACT sites, etc.), or depending on who is active in the regional office or the local federal executive boards. These staff will need to be trained AND empowered to make decisions, with support from the White House and Cabinet Secretaries. The assignment and coordination of these city desks could be through any of the interagency groups described above, through the White House Office of Intergovernmental Affairs, or the Domestic Policy Council.

Pros of Performance Partnerships with Cities:

Moves all levels of government more towards outcomes based governance and accountability to the public for results. We would help, encourage, and demand each other to be more performance oriented. These would be partnerships to effect real change (results!) for real people.

Builds on the theme of bottom up reform. Localities know what is best for their communities; we're ready to partner with them to help them remove barriers to achieving their vision for their cities. Partnerships with cities may be preferable to the Oregon Option which, although it has local government participation, is a state driven effort. We hear directly from the front line where things don't make sense and how they can be fixed.

Recognizes that innovation is happening on the local level. Many cities are out front and the federal government is willing to work with cities where they are in the process of improving government. Works with individual cities where they are, on their priorities.

May be the best way for the Federal government to help cities in the present climate of shrinking federal budgets.

Recognizes more flexibility is needed in the current tangle of intergovernmental programs and requirements.

Acknowledges need to partner because none of us, at any level of government, has all the answers and therefore recognizes the need to work together.

Performance partnerships offer a middle ground between the current array of federal categorical programs and no strings block grants to States.

Would provide participating cities with a single point-of-contact at the federal level, thus beginning to implement the virtual secretary of Cleveland concept.

Continues and builds upon the progress of this Administration of new ways of working with cities as exhibited over the past two years. It builds on EZ/ECs, Performance Partnerships, and HUD reinvention.

Cons of Performance Partnerships with Cities:

Not Very Attractive to Mayors. In this environment where Congress is considering block grants with almost NO federal involvement or restrictions, partnerships which exchange flexibility for accountability may not seem very appealing to mayors. They may see the requirement to set outcome benchmarks and performance indicators to measure progress towards those benchmarks as just another unfunded mandate. Mayor Bredeson had two points on this: (1) the notion of getting more entangled with the federal government, not less, is not very attractive and (2) it seems like an awful lot of work with very little benefit to his city, given the size of his programs and the skepticism that, even with complete flexibility, they could save much money in terms of efficiency.

Diverts energy away from other initiatives. There is some fear that embarking on new partnerships with cities could divert attention away from existing Administration initiatives, particularly the EZ/EC efforts. We already have a partnership of sorts with the 104 designated empowerment zones and enterprise communities. There is some fear that we are in danger of not delivering on promises made or on expectations of these cities and communities. The process of developing Memoranda of Agreement between the federal government and the zones/communities and of processing hundreds of waiver requests has been very slow.

Labor-intensive process. Intergovernmental, interagency partnerships are staff intensive. Sheryll Cashin and others are concerned that the Community Empowerment Board work group is at full capacity and could not take this on. Agencies are downsizing and some will claim they can't take on a new initiative. It will be difficult, but not impossible, to meet the demands and needs of cities that come forward to form partnerships.

May Not Be Able to Meet Cities' Expectations. We may not be able to deliver what the cities ask for. As we are finding with the EZ/EC sites, many of the waiver requests that come in are for statutory waivers, which the Administration does not currently have the authority to grant. We may also not want to grant some of the waivers being requested (e.g., many states under the new waiver authority in the elementary and secondary education act are asking to waive targeting of funds to poorer school districts).

<u>Other Options for Cities</u>

In the current environment of what mayors really care about, this offer will probably only get lukewarm reception. In the context of the mayors' prime concerns, what else can we do?

What do mayors really care about? Unfunded mandates. The impacts of threatened budget reductions on urban areas. Fear of not having a seat at the table as funds are consolidated into block grants to States. The potential for shifting costs to cities as budgets are cut at all levels and funds are consolidated at the State level. An invitation for performance partnerships with cities should be looked at in the context of other options outlined below, which could be done in combination with, or instead of, an invitation to cities to join in

Performance Partnerships with the federal government.

Focus on Negative GOP Budget Cuts: The June speech to the mayors should focus on the negative impacts of the GOP budget plan on urban areas. This could build off the Administration's June 8 events around the country where mayors will comment on budget impacts. For example, the GOP plan's answer to your housing problems is to eliminate HUD. The GOP plan's to solve your transportation problems is to severely decrease operating subsidies for transportation. The GOP's answer to problems in our schools is to severely reduce funding for education. The Republicans talk about welfare reform, yet they want to cut the Earned Income Tax Credit, which common sense tells you needs to be the cornerstone of moving people from welfare to work. We are interested in making government cost less AND work better, not just eliminate for the sake of costing less.

Mayor Bredeson thinks lots of mayors have not yet focused on what these budget cuts are going to mean for their cities. He thinks the Administration should stake out a position: we all want deficit reduction but this is what the GOP-selected cuts are going to mean for your cities (based on what mayors tell us during June 8 events).

Provide Gingrich with a List of Problems Already Identified and Offer to Work with Him. Cities have already identified lots of problems. The Administration will continue to fix the ones in its purview, and the Administration is ready to work with Congress to address those that require legislation. Acknowledge that the Speaker of the House has asked the mayors to help develop a Contract with Cities to work together to identify the city's problems so the Congress can try to fix them. Mention that the Administration heard from 500 communities through the application process for empowerment zones and enterprise communities. These communities identified some of their problems and asked for hundreds of waivers to correct these problems. We have been working to solve those problems within the power of the Executive Branch, yet an alarming number of the cities' requests are for waivers of statutory provisions that the Administration does not have the authority to waive. We look forward to working with the Speaker to help eliminate the problems the cities have already identified. A letter could be prepared from the President or the Vice President to the Speaker which outlines key problems cities ALREADY identified that ONLY Congress can fix, and a copy could be given to the mayors at the June conference. [Sheryll Cashin of CEB work group and Roy Priest of HUD say that the analysis of the existing waiver requests necessary to prepare such a letter by June could be done.]

Address Cities' Fears of State-Administered Block Grants. Cities fear they have no voice in the consolidation of federal programs into block grants for States, fearing that urban areas will lose out in this arena. The President may want to make a very strong statement that one principle he will use as he reviews legislation is required consultation among Governors and local leaders on issues such as resource allocation and program design. I think the mayors would give a standing ovation if we were willing to make a strong statement on this. Mayor Bredeson says we are all resigned to the notion of reduced funding, but are fearful how the decisions will be made and that cities will not be given enough planning time to implement reductions.

Strongly Endorse Local Empowerment and Flexibility Act. Senator Hatfield has introduced legislation that would provide the Administration broad authority to waive statutory and regulatory restrictions. We cannot provide the waiver authority being sought by the EZ/ECs, Oregon, or any new partnerships without such legislation. The President could strongly endorse the specific bill or the concept of the legislation to the mayors, and ask for their assistance in getting it passed. Although Newt Gingrich has offered to solve the cities' problems, it would be interesting to note to the mayors that Senator Hatfield has been having trouble getting this legislation -- which could potentially provide real flexibility to the cities -- out of committee.

Implement Virtual Secretary (City-Desk) Concept for Large Number of Cities by offering Single Point-of-Contact (City Desk Concept) to Mayors. Attorney General Reno has spoken often about her "city desk" concept, which is similar to the Vice President's virtual secretary of Cleveland concept, where cities would be provided a single point-of-entry into the federal government through one federal employee who is so designated. Rather than a city "desk" for a particular city in each department, there would be only one for a city in the federal government; that would help the city bring together the right people and information from across the federal maze as needed. This would open up access to the faceless, nameless bureaucracy. Just like on your American Express bill, cities would have a name and phone number to call for facilitation and troubleshooting at the federal level.

This concept interested Mayor Bredeson much more than the performance partnership idea.

A June announcement could announce implementation of this city desk (or city partner) concept. It could be refined to ask the mayors to identify the ONE issue most important to them that they need help with from the federal government over the next year, and this single point-of-contact will do what they can to help.

This concept could be phased in incrementally. The names of the contacts for the largest eight or 24 cities could be announced in June, with dates for when smaller cities would be brought in and provided the names of their contacts. Except for the eight largest cities, a full time person would probably not need to be devoted to one city.

These city desks could be located in various agencies depending on the main issues of that city, depending on agency initiatives already prominent in those cities (e.g., EZ cities, PACT sites, etc.). Selected staff would have to have high-level access and authority to help solve problems across a wide range of issues and departments. The assignment and coordination of these city desks could be through the White House Intergovernmental Affairs Office, the Domestic Policy Council, a CEB or NPR workgroup, or the Department of Justice.

Implementing this concept would be administratively difficult and will encounter opposition from federal departments. It would require Presidential and Vice Presidential leadership to make it happen.

There is also a workload danger here that States and Counties would soon demand their own virtual secretaries. It may be better to implement this concept incrementally, as a side benefit to those cities (and states) who come forward for performance partnerships.

Brag to Mayors about what we have already done or are about to do. The message is that this Administration has listened and is acting, within a timeframe of only two years -- so far. For example, based on a request from the mayors' last conference, EPA has taken over 25,000 sites off the list which require federal monitoring. EPA plans to have a list of sites, by city, for mayors by the June conference. HUD has replaced numerous paper planning and reporting requirements with one automated, consolidated planning tool. [There are other great examples from agencies, and OMB is assembling this information. We can also report what the Administration has done compared to previous resolutions by the U.S. Conference of Mayors.]

Combine invitation for performance partnerships with new initiative, such as metropolitan-wide strategies which build upon and complement the neighborhood focused EZ/ECs. The Empowerment Zones competition has energized communities across the country and built local enthusiasm and momentum for tackling these problems. In the application process, over 500 cities formed new coalitions and strategies attuned to local realities. It may be time to build upon this with a metropolitan focus. Partnerships with cities could strongly encourage a metropolitan focus to address the isolation of central city neighborhoods and reflect the interdependencies of city and suburbs.

Appendices:

A. Letter and proposed Contract with the Cities outline from

Newt Gingrich to the mayors, 4/13/95

B. Number of Cities by population groupings

C. Direct Federal Funding to Cities, by Function

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APPENDIX B

SCOPE

NUMBER OF CITIES, by Population Groupings

Over 1 million population:	8 cities*
Between 500K - 1 million:	16 cities
Between 300K - 500K:	28 cities
Between 200K - 300K:	24 cities
Between 100K - 200K:	119 cities
Between 75K - 100K:	98 cities
Less than 75K:	19,003 cities
TOTAL NUMBER OF CITIES	19,296 cities

*New York, Los Angeles, Chicago, Houston, Philadelphia, San Diego, Dallas, Phoenix, Detroit

Source: Census Bureau, Governments Division, 1991 data. These data do not include towns and townships, or special districts such as school districts.

Metropolitan Areas:

A possible focus for any urban initiative might be major metropolitan areas. There are 350 major metropolitan areas which include over 3/4 of the U.S. population.

DIRECT FEDERAL FUNDING TO CITIES, BY FUNCTION

TOTAL: $8.033 BILLION

Housing and community development:	$3,896 million
Welfare (almost all D.C.):	440 million
Education:	324 million
Highways:	288 million
Air Transportation:	194 million
Health and hospitals	175 million
Sewage:	80 million
Employment security administration (D.C.)	15 million
Federal general support (no strings $):	7 million
All Other:	2,297 million

["All Other" includes: criminal justice, police, drug, job training, disaster assistance, economic development, hazardous waste, senior citizen programs, environmental protection, libraries, parks, recreation, cultural/historical, armories, transportation studies not related to highways]

Utilities Operated by cities:

Transit:	284 million
Water:	30 million
Electric ($243 thousand)	0.2 mill.

Source: Census Bureau, Governments Division, 1992 data taken from city audit reports of their revenue sources. Does not include federal funds that go first to States and then to cities.

The Washington Post
Thursday, June 1, 1995

David Osborne

A Federal Challenge for Local Ingenuity

In the new Republican Congress, block grants are breaking out all over. And heaven knows, they're superior to narrow categorical grants. But as the time for decisions draws near, it's worth stopping for a moment to ask: Are block grants the best we can do?

There is one simple idea missing from the block grant debate of 1995. It's called accountability for results. In their heat to dow e the federal government, the Republicans may miss the best opportunity in a generation to create a federalism that works.

We all know that the current federal system, with its 550-plus categorical grant programs, is a mess. We also know from every poll on the issue that the public supports devolution of responsibilities to state and local governments.

What we don't know is that block grants are the best solution.

Congress's inability to resist creating new categorical grant programs—they sprout up almost like weeds in a garden—has been a problem since the 1960s. By 1991 Congress funded almost 100 social service grant programs, more than 80 h care grant programs and close to 30 grant programs that dealt with housing or development in poor communities.

N y of these were for absurdly small amounts—$3 million or $4 million nationally. More than half of the Education Department's 90-odd programs were for less than $15 million.

When one department administers so many tiny grant programs, something is wrong. Thousands of public employees, in Washington and in state and local governments, spend countless hours publicizing programs, writing and reviewing grant applications, reporting on how money was spent and auditing. Billions of dollars go to the professionals and bureaucrats who do this, rather than the intended recipients: students, poor people, u residents and the unemployed.

For 25 years, the knee-jerk response has been the block grant, which consolidates many categorical grant programs into one grant with—at least retically—few strings attached.

There is just one problem with this. Block g s are blind to performance. They shower as much money on wasteful, ineffective programs as they do on innovative, cost-effective approaches.

We need a third way: block grants in which state and local governments compete in part based on the results they achieve. This kind of model has become common at the state level. Pennsylvania's highly regarded Ben Franklin Partnership, for instance, invented what it calls "challenge grants" to fund local economic development centers.

The concept is simple, and Congress would be wise to adopt it. Consider the idea of a community development challenge grant, administered by the Department of Housing and Urban Development. Under this approach, the federal government would establish broad guidelines, objectives and performance measures. State and/or local governments would then compete for challenge grants based on three criteria:

BY RANDY MACK BISHOP

"Block grants are blind to performance."

- **Need:** This could be determined by a community's unemployment rate, poverty rate and median income.
- **Quality of strategy:** Does the proposed strategy leverage private sector involvement? Does it empower communities to solve more of their own problems? Does it encourage competition and choice? Does it measure and reward results?
- **Results:** The federal government would measure the number of jobs created, changes in the poverty and unemployment rates, job placement rates, private investment leveraged, changes in indicators of family health, incidence of graft or corruption and so on.

The higher a government ranked on these criteria, the more funding it would receive. Eventually, only two criteria would be necessary: need and results. Until data on results build up, however, HUD could use quality criteria to drive state and local governments toward strategies that have proven more effective than traditional service delivery by public bureaucracies.

This approach would cause states and localities to attack the problems federal programs are designed to solve, without dictating the approaches they use. It would tap state and local ingenuity without abandoning federal responsibility.

By setting goals, measuring outcomes and rewarding success, challenge grants would push lower levels of governments to come up with strategies that worked. Local entities could focus on their own areas of greatest need and craft their own initiatives, without micromanagement from above. They could not, however, continue to collect their full grants without producing results.

The Clinton administration is already testing a version of this model through its "Oregon Option"—a performance-based contract between the state and several federal departments, first proposed last year by the Alliance for Redesigning Government. HUD Secretary Henry Cisneros has also proposed three performance-based block grants. Yet few Republicans in Congress are listening.

The Republicans' impulse to hand money to the states regardless of their performance is particularly ironic given the public's intense demand for more efficient and effective government. Remember, this is federal money, raised through federal taxes to attack national problems that state and local governments will never solve on their own.

It is easy to wax poetic about the virtues of state government. But as the author of a book on the subject, "Laboratories of Democracy," I feel compelled to inject some reality.

State and local romantics often forget one fact: States, cities and counties must compete to keep their taxes low, lest they drive businesses and wealthy residents away. This is why no state has ever made a sustained investment in combating poverty or creating a viable training system. It is also why no state save Hawaii—separated by thousands of miles of ocean from its neighbors—has ever funded universal health insurance.

It is equally ironic that Congress wants to give block grants only to the states. The fact that current proposals ignore local governments is perhaps the most obvious sign of how little thinking their authors have done.

Again, a dose of reality: The typical state bureaucracy performs a little better than the typical federal bureaucracy—but not much. Most of the real improvement in performance over the past two decades has come at the local level. In addition, most public services are provided by local governments, not state governments. And the level of government Americans trust most is—you guessed it—local government.

If Congress wants to make government work better and cost less, it will control its jerking knee and craft challenge grants aimed at both state and local governments. If it simply wants to make the federal government smaller, it will create block grants for the states. The choice will be revealing.

The writer is chairman of the nonprofit Alliance for Redesigning Government, managing partner of a consulting firm and co-author of "Reinventing Government."

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Sid Gardner, Director

June 12, 1995
A Financing Option for Enhancing Comprehensive Services

The problem:
At the community level, collaboratives from a wide variety of communities have developed impressive efforts to link schools and social services, law enforcement and youth agencies, and a variety of other partnerships. Yet these local collaboratives have spent much of the past two years responding on a largely ad hoc basis to a series of federal initiatives-- and are about to be inundated with an even wider array of new, wide-ranging federal policy and budget changes. Ironically, it is possible that the net effect at the community level of all of these programs and changes will be even less strategic, collaborative decisionmaking and accountability for results than was the case before these local collaboratives and partnerships came into being.

The opportunity:
In both sets of policy and budget changes-- those initiated by the administration and those coming from the current Congress-- there are major impacts on community-level services and supports for children and families. These impacts could be linked together in integrated funding for a set of the strongest community collaboratives in ways that could show others "how to put the pieces together." This could also be done in a way which emphasizes the key principles which most observers believe to be shared by the Congress, the administration, and the strongest communities:

--results-based budgeting which emphasizes performance in improving the well-being of clients over categorical agency and program operations
--community-based devolution of authority
--an equal emphasis upon natural support networks and public services.

The proposal:
A graduated, developmental approach to moving gradually toward community-driven block grants for a carefully selected group of communities would serve as a mid-range

option between the discredited status quo and the congressional block grants which have been proposed without any regard for community capacity or outcomes-driven planning. In fact, a proposal similar to this was outlined in the original inter-governmental proposals of the National Performance Review, but it has apparently not proven possible to implement this in the midst of the overlapping efforts of several federal agencies to carry out their own separate initiatives. These initiatives-- the <u>full federal menu of initiatives with a potential for broadening comprehensive local initiatives</u>-- include

1. Enterprise/empowerment zones
2,. Family preservation/family support
3. Changes in education funding, including Chapter I changes and a new Title 1 I with "glue funding " provisions
4. School to Work
5. Crime bill prevention titles, especially the domestic violence provisions
6. Head Start funding changes
7. Americorps
8. Goals 2000
9. (Newly proposed) Performance Partnerships that would block grant many current categoricals

The problem has been that local comprehensive collaboratives have been forced to move rapidly from each of these to "the next wave," without being given any "hooks" to connect these initiatives together. Reform has become the major barrier to reform, as parallel tracks of reform compete at the local level for resources, political attention, and community understanding.

At the same time that these nine initiatives have emerged from the executive branch in response to legislation of the last Congress, the current Congress has begun its own work in revising a wide array of domestic legislation, in ways which will profoundly affect local collaboratives and community-based organizations. These include

1. The Personal Responsibility Act changes in AFDC programs
2. The Personal Responsibility Act changes in child welfare programs
3. Changes in the earmarks for the Substance Abuse Block Grant
4. Reductions and changes in Medicaid
5. The Child Development Block Grant
6. Changes in job training programs

A Three-Stage Developmental Approach

The proposal would launch a three-stage initiative, responding to the growth of community capacity and intergovernmental capacity. The stages would be

1. Building on strength at the level of individual projects and initiatives
At this level, the federal government would select sites where community-based collaboratives have successfully established integrated services projects, in the form of school-linked services, family resource centers, family support programs, comprehensive prevention initiatives, or some other form of interagency partnership. Such projects would be provided assistance in blending the full array of available federal discretionary funds, while working at the same time to link the project to the impacts of the new congressional policy changes. Thus a family resource center aligned with a school might seek support from the domestic violence sections of the crime bill and discretionary family support funding, while working to assess the effects of the new child welfare policy changes. The criteria for selecting these projects would be their exemplary practices in operating a services program at the local level.

2. Building on strength at the level of community-wide collaboratives
The second stage of the integrated funding would focus on services networks, rather than single projects. Here the criteria would be community-wide successes in developing strategic allocations for funding beyond current allocations. The "Savannah tier," as this level might be called, would include those communities which have received federal or foundation funding on a multi-year basis for a comprehensive set of programs which have been sustained, outcomes-driven, and have begun to demonstrate their effectiveness in achieving those outcomes. These might also include broadening a set of initiatives that has been focused on a defined target group but is ready to expand to a wider focus, e.g. school-linked services ready to address school readiness under Goals 2000 or School-to Work projects prepared to link effectively with substance abuse treatment that represents a major unaddressed barrier to youth employment.

3. Building on strength at the level of full intergovernmental partnerships
At this most developed stage, the goal would be knitting together federal, state, local and community-level organizations in a shared set of goals and outcomes, using the full array of federal and state discretionary programs available. These initiatives might involve devolving to local levels the intergovernmental partnerships now being developed between the Domestic Council and Oregon, West Virginia, Indiana, and Minnesota-- to the extent that these can move to the community level and can move

to strategic outcomes set at both the community and statewide levels. At this stage, well-developed local matching funding from private and foundation sources, in addition to substantial state support, would be required as a condition of federal support.

This final stage would genuinely be worthy of the label community-driven block grants, in that it would be based upon a negotiated set of priorities shared by the federal, state, and local levels in which flexible funds and specific outcomes would provide much clearer accountability for results than can be achieved by any single federal block grant or categorical initiative.

Discussion:

It would also be possible and essential to set up a thorough evaluation of these communities' successes, using the evaluation approaches outlined in the new publication by the Aspen Institute, New Approaches to Evaluating Community Initiatives. Such an evaluation would assess both short-term and longer-range outcomes, including effects on institutional performance as well as clients and communities.

This approach would require a detailed set of capacity standards in which selection of sites (as has been done at the state level in California's Policy Academy and other states' blended funding initiatives) would be done based on scoring community collaboratives' strength in a variety of areas which would together make up a comprehensive index of capacity to implement comprehensive, community-based initiatives. The point here is that if we cannot differentiate among communities in their relative effectiveness in capacity-building, we probably have not yet operationally defined the concrete steps which can guide capacity efforts.

The federal role in directing such a developmental initiative would be to (1) frame the initiative as a major activity of the executive branch in 1995-96 with adequate consultation with Congress, (2) develop the criteria for capacity in consultation with a representative groups of states, communities, and community-based organizations, (3) develop a request for proposals which would be results-based, (4) choose the sites, (5) conduct (or contract for) an in-depth assessment of the capacity of the federal agencies to implement these initiatives, in parallel to the necessary assessments of state and local capacity, reviewing the experience of the implementation of the new federal initiatives of the past two years, and (6) provide each participating site with an inventory of current and pending federal discretionary funding.

Legislative Impact

In its first phase, this initiative could be implemented as an effort of the executive branch; at the same time, however, its principles should be embodied in legislation to be negotiated with senior representatives of key committees from both parties and with leaders of the new Congress. The legislative leadership that would be essential would require a bipartisan recognition of the fragmenting impact of current federal categorical funding, even for broad initiatives, when they come down to the local level in the now-typical form of multiple, unconnected "comprehensive" initiatives. Federal legislation that merely calls for a new collaborative to be created at the local level, in the pattern of several recent enactments, fragments the local scene further. Recent inventories required by some states and foundations have documented the existence of more than one hundred "collaboratives" devoted to children and family issues in a single metropolitan area, all created by a federal, state, or foundation initiative that sought "greater collaboration."

The Oregon Option

Domestic Policy Council Meeting

October 24, 1994

THE OREGON OPTION

DOMESTIC POLICY COUNCIL MEETING

OCTOBER 24, 1994

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OREGON BENCHMARKS

What Are They?

National Leader: Oregon is recognized nationally as the state furthest along in using outcomes to establish a long-range vision, set public priorities, allocate resources, design services, and measure results.

Serve as Report Card: Oregon Benchmarks serve as critical indicators about the economy, the quality of life, and the citizens of Oregon. The Benchmarks track where the state (or county) stands and how it measures up to its target goals over a specified number of years (e.g. 1995, 2000, 2010). Benchmarks oblige Oregon and its localities to measure what they do by hard numbers, by agreed-upon standards.

Measure Outcomes, Not Inputs. Benchmarks measure results, not effort. Some examples from Oregon:

- o Whether air and water are getting cleaner, not whether environmental regulations are in place.
- o Ten pregnancy (rate per 1,000 females aged 10-17 for each of the target years), not number of clients served.
- o Crime rates, not prison beds (e.g., measures social harmony by hate crimes per 100,000 Oregonians per year).
- o Urban mobility by the percentage of Oregonians who commute to and from work by some means other than a single occupancy vehicle.
- o Literacy and other learning standards, not school and teacher expenditures.

Citizen and Legislative Input: Goals are developed through broad popular participation (e.g., electronic voting at community meetings), then ratified by action of the legislature and governor.

272 Total Benchmarks:

-- **Urgent Benchmarks** - addressed in the next few years (e.g., teen pregnancy); will impact many other benchmarks one or two decades out.

-- **Core Benchmarks** - are longer-term measures of Oregon's vitality and health (e.g., the base of the state's economy).

OREGON BENCHMARKS

History

Strategic Planning Process, 1989. Oregon Benchmarks began in 1988 with "Oregon Shines," a strategic planning exercise started by then-governor Neil Goldschmidt. "Oregon Shines" is a 20-year strategic vision focused on three main strategies: (1) creating a diversified, high-wage economy; (2) protecting and enhancing Oregon's quality of life; and (3) investing in the capability of Oregonians.

Strategic Plan Translated into Measurable Goals: The Oregon Legislature created the Progress Board, directing it to translate the strategies in Oregon Shines into measurable goals for Oregon and make sure the process stays alive and on target. The board is headed by the governor and designed to be bipartisan. 1989.

Citizen Input: Hundreds of Oregonians -- from business, labor, education, environmental groups, state and local government, the health care system and grass-roots organizations -- developed the benchmarks for the State. 1990 and continuous.

Legislature Adopts Benchmarks: The Legislature unanimously enacted Oregon Benchmarks into law, after review by 18 state legislative committees. 1991.

Public Report Card: Every two years, the Progress Board has to update the benchmarks and report publicly on progress toward each benchmark goal. 1991 and on-going.

Use of Benchmarks to Govern: In 1992, Governor Roberts directed agencies to give priority to critical near-term benchmarks in the budget process, and directed all agencies to develop performance measures consistent with benchmarks. In 1993, Roberts, faced with a 17 percent budget shortfall because of a voter initiative, cut all state agencies' budgets even deeper -- 20 percent. Then she offered a 3 percent rebate to agencies able to shape their programs to achieve benchmark goals. The Legislature ratified almost all of Roberts' benchmark-targeted budget measures. Planning, budgeting and compensation systems are being directed towards the benchmarking goals. The three gubernatorial candidates have all endorsed use of Oregon benchmarks.

Benchmarks and Communities: State and local government agencies, nonprofits, business interests, and citizen groups are increasingly tying their efforts to Oregon Benchmarks. The Progress Board assists local government and other institutions in adopting their own benchmarks and creating programs that support the achievement of Oregon Benchmarks. For example, Multnomah County and Portland have inaugurated a joint benchmarking process that incorporates the state benchmarks as well as additional benchmarks of most interest to local citizens. Rural Baker and Deschutes, and other, counties are also pioneering local benchmarking efforts.

THE OREGON OPTION

An Intergovernmental Partnership for Results

Summary of Proposal

Proposal: In July 1994, Oregon's governor and county and city government officials proposed a special partnership and long-range project with the federal government to test fundamental redesign of the intergovernmental service delivery to achieve results.

Purpose: to encourage cooperation among federal, state and local entities to redesign and test an outcomes-based approach to intergovernmental service delivery.

Why Oregon? Using its pioneering efforts in benchmarking as a base, Oregon is uniquely suited for an experimental demonstration to develop an outcome-based approach to intergovernmental services. The State and local governments have several years experience using an outcomes model for establishing long-range vision, setting public priorities, allocating resources, designing services, and measuring results. The Oregon Legislature has adopted the "Oregon Benchmarks." Nonprofit organizations, businesses, and civic groups in Oregon are aligned to a benchmark process with State, county and local jurisdictions.

Demonstration: Can serve as a platform to demonstrate principles and practices which may lead to national improvements in the intergovernmental service delivery system.

Principles to Guide Partnership. Oregon's proposal is based on principles advanced by the National Performance Review:

- o Focuses on outcomes as the criteria by which to measure success
- o Intergovernmental and interagency -- brings together the community, local, state and federal levels to agree on desired results and work together to achieve them (i.e., shared accountability)
- o Oriented to customer needs and satisfaction, especially through integration of services
- o Biased toward prevention rather than remediation of problems
- o Systemic, sustainable change at all levels of the service delivery system to reduce red tape and micro-management
- o Delegation of responsibilities for service design and delivery to front-line, local-level providers
- o NOT about more money, but about re-directing funds to better achieve agreed-upon results.

Initial Focus of demonstration is on Oregon's human investment benchmarks:

- -- Healthy children
- -- Stable families
- -- A developed (highly educated and prepared) workforce

THE OREGON OPTION

Project Status Report

10-24-94

Start-Up: Presentation on Oregon Option to large federal interagency audience by Oregon Governor Barbara Roberts, Multnomeh County Chair Bev Stein, and Portland Mayor Vera Katz. July 25, 1994.

Congressional Consultation: Governor Roberts and other Oregon representatives briefed Oregon delegation. July 26, 1994.

Federal Interagency Action Team organized under the guidance of the National Performance Review to partner with Oregon to further develop the Oregon Option.

- o Representatives from Domestic Policy Council, Office of Management and Budget, and seven agencies (Health and Human Services, Labor, Education, Justice, Commerce, Agriculture, Housing and Urban Development).
- o Meets weekly, with conference call participation by federal staff in Seattle and Oregon, and many Oregon representatives.

Internal Federal Agency Work Teams being formed to involve array of policy, program, field, data, financial, grants administration, evaluation, auditing, and legal expertise, insight, and advice within each agency. Seven agencies at different levels on this.

Working Visit to Oregon for partners to further develop the Oregon Option. September 18-21, 1994.

- o Attended by over 40 federal staff from Washington and regional/state offices; and over 60 Oregon state, local and community representatives.
- o Visited local service sites, discussed principles of partnership and Oregon Option, further developed memorandum of understanding, further defined benchmark and workgroup clusters, discussed benchmarks for initial focus, and began mapping specific strategies and changes needed to achieve benchmarks.

Intergovernmental/Interagency Sub-Teams have formed around specific benchmarks and cross-cutting issues to further develop strategies and changes needed to achieve specific benchmarks:

- o Healthy children cluster
- o Stable families cluster
- o Developed workforce cluster
- o Data Analysis workgroup
- o Financial/grants administration workgroup
- o Memorandum of understanding workgroup

Internal Oregon Teams: Oregon developing process to involve additional, broad representatives from state, local, private, and community based organization in development of the Oregon Option. Using the National Performance Review Model of providing space where staff comes together in teams, temporarily from their home organizations, to accomplish different pieces of the Oregon Option.

Foundation Support:

- o Ford Foundation announced Oregon Benchmarks as one of its ten coveted State and Local Innovation Award winners. September 29, 1994.
- o Annie Casey Foundation asked Oregon and the Alliance for Redesigning Government to apply for funds for facilitation and capacity building to support the Oregon Option. September 30, 1994.

Strategy Development to Achieve Outcomes: Sub-teams in various stages of developing strategies and identifying changes needed. Where authority to make changes already exists, we are NOT ASKING PERMISSION but just moving ahead. Where permission is needed, more details will be forthcoming. Some examples:

- o Two teams likely to have very specific proposals in near future that will demonstrate tangible achievement on benchmarks.

  -- Healthy children cluster, with particular focus on increasing immunization rate of two year olds and prenatal care in the first trimester of pregnancy

  -- Stable families cluster, with particular focus on increasing number of welfare recipients placed in jobs

- o Interagency data analysis team already forging ahead to provide technical assistance to Oregon to fill data needs (e.g., modeling race data from the 1992 Oregon Survey back to the 1990 survey in which such data were not collected; providing information on additional data sources where Oregon currently has data gaps; exploring Oregon's request to pay for additional sample size in Oregon in ongoing national surveys such as Current Population Survey and the Survey of Income and Program Participation, etc).

- o Federal and state financial staff examining indirect and direct cost accounting to create incentives for reduction in overhead so funds can be reinvested in community service delivery.

Congressional Involvement: The Institute for Educational Leadership has set up an early December site visit to Oregon to provide senior staff in both the Congress and the Executive Branch with a hands-on view of the state and local effects of the laws they pass and administer. The site visit will focus on cross-cutting initiatives for children and families and explore how Oregon is using measurable outcomes (benchmarks) to reach the state's long-range human investment goals. The site visit will build on work already underway on the Oregon Option.

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THREE INITIAL CLUSTERS OF HUMAN INVESTMENT BENCHMARKS

The following benchmarks illustrate the kind of results that Oregon seeks to improve the lives of its people. Workgroups were organized around these three clusters as initial areas of focus.

	HISTORIC					TARGET		
Stable Families	**1980**	**1990**	**1991**	**1992**	**1993**	**1995**	**2000**	**2010**
1. Pregnancy rate per 1,000 females ages 10-17	24	19.7	19.3	17.9		9.8	8	8
2. Percentage of children living above 100% of the federal poverty level	88%	84%		84%		88%	92%	100%
3. Number of children abused or neglected per 1,000 persons under 18		11.3	10.5	11.3	10.8	9.0	6.0	2.0
4. Spousal abuse: domestic violence calls per 1,000 households		46.1	45.3	45.7	56.9	35.0	30.0	20.0
5. Percentage of children who are homeless at some time in the past year			1.8%		2.0%	0.9%	0%	0%
6. Of children born outside of marriage, the percentage who have legal paternity established in a given year	33%		31%		49%	50%	80%	90%
7. Percentage of current court ordered child support paid to single parent families	44%		50%		54%	85%	95%	99%

Performance Measures

- ✓ Percentage of AFDC clients entering employment
- ✓ Percentage of AFDC clients with child support established
- ✓ Percentage of AFDC recipients within the total population
- ✓ Average length of time a family is on welfare
- ✓ Percentage of AFDC households headed by a teen parent
- ✓ Basic skill levels of participants in job preparation activities

	HISTORIC					TARGET		
Healthy Children	**1980**	**1990**	**1991**	**1992**	**1993**	**1995**	**2000**	**2010**
1. Percentage of healthy birthweight babies	95%	95%	95%	95%		96%	97%	98%
2. Pregnancy rate per 1,000 females ages 10-17	24.0	19.7	19.3	17.9		9.8	8.0	8.0
a. African-Americans		54.4						8.0
b. American Indians		21.9						8.0
c. Asians		12.7						8.0
d. Hispanic		33.2						8.0
e. Whites		19.2						8.0
3. Number of identified child care slots available for every 100 children under age 13		14		15		16	20	25
4. Number of children abused or neglected per 1,000 persons under 18		10.9	11.5	11.6	11.5	9.0	6.0	2.0
5. Percentage of babies whose mothers received adequate prenatal care (beginning in the first trimester)	77%	76%	77%	79%		100%	100%	100%
6. Infant mortality rate per 1,000	12.1	8.3	7.2	7.1		7.5	6.0	4.0
a. African-American (3-year average)			20.4	19.2		11	8.0	4.0
b. American Indian (3-year average)			15.2	14.3		10	7.0	4.0
c. Asians (3-year average)			8.3	6.5		6	5.0	4.0
d. Hispanic (3-year average)			8.7	7.4		6	5.0	4.0
e. Whites			7.2	6.9		6	5.0	4.0
7. Percentage of two-year-olds who are adequately immunized				47%	50%	80%	100%	100%
8.* Percentage of children entering kindergarten meeting specific developmental standards for their age								
a. Language and literacy development								
b. Physical well being								

*Data expected in October 1994.

	HISTORIC					TARGET		
Well Trained Workforce	**1980**	**1990**	**1991**	**1992**	**1993**	**1995**	**2000**	**2010**
1. Student Skills: Percentage of eleventh grade students who achieve established skill levels								
a. Reading		83%	82%	83%		88%		99%
b. Math		67%	70%	65%		78%		99%
c. Writing–Ideas		83%		88%		88%		99%
d. Writing–Organization		80%		84%		85%		99%
e. Writing–Conventions		81%		86%		85%		99%
2. High school graduation rate		72%	76%	74%		83%	93%	95%
3. Percentage of high school students with significant involvement in professional-technical education and entrepreneurial programs		9%	8%	8%		18%	35%	55%
4. Percentage of high school students enrolled in structured work experience programs		3%	3%	3%		18%	35%	55%
5. Percentage of students free of involvement with alcohol in the previous month								
a. Eighth grade			74%			92%		99%
b. Eleventh grade			63%			75%		90%
6. Percentage of students free of involvement with illicit drugs in the previous month								
a. Eighth grade			90%			95%		99%
b. Eleventh grade			81%			85%		99%
7. Percentage of students free of involvement with tobacco in the previous month								
a. Eighth grade			85%			95%		99%
b. Eleventh grade			81%			85%		99%
8. Juvenile arrests per 1,000 juvenile Oregonians per year	32	38	39	42	44	35	20	10
9. Real per capita income as a percentage of U.S. real per capita income	99%	92%	92%	93%	93%	95%	100%	100%
10. Percentage of Oregonians with incomes above 100% of the Federal poverty level	89%	88%		91%			100%	100%
11. Percentage of adults with intermediate proficiency at								
a. Prose Literacy		41%						55%
b. Document Literacy		36%						55%
c. Quantitative Literacy		39%						55%
12. Percentage of Oregon adults who completed an associate degree in professional-technical education								

13. Percentage of displaced re-employed within 24 months and earning at least 90% of previous income								
a. All workers								
b. Lumber and wood products workers				36%		60%	70%	75%
14. Average rate of reincarceration of paroled offenders within three years of initial release				41%	41%	35%	20%	15%
15. Welfare to work (See Family Stability)								

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Family Stability

Oregon's long term objective is to assure that all families are economically self-sufficient, socially functional and safe. Welfare to work is the premise behind their proposal.

The state has chosen to concentrate its early efforts on one of the benchmarks associated with family stability -- increasing the number of children living above 100% of the Federal Poverty Level. They expect to make significant progress over the next year on an interim performance measure of increasing the percentage of AFDC clients entering employment.

Examples of Partnership Strategies to Achieve Benchmarks

As a result of the site visit to Oregon in September, the Oregon Department of Human Services and HHS are engaged in initial conversations concerning immediate opportunities to enhance the state's ability to use Federal funds more creatively to both move AFDC clients into employment and address the underlying causes of poverty and dependency. Simplification and streamlining within and among programs are the immediate instrumental goals. Taskgroups comprised of Federal, state, and local representatives have been indentified to work on such issues as: 1) establishing common eligibility across entitlement programs that serve the poor; and 2) simplification of administrative procedures and requirements.

What's Being Requested of the Federal Partner

Oregon is requesting that the Federal Government allow the state to retain its "share" of the nation's AFDC funds, approximately 1.3 percent, as it moves recipients to employment, and "reinvest" the funds in poverty prevention activities. This overarching concept of "reinvestment" underpins the state's welfare initial reform strategy and would ultimately extend beyond AFDC to Food Stamps, Child Care and JOBS. In addition, the state is asking that the Federal Government:

- Permit a common eligibility definition across assistance programs, with particular focus on valuation of assets, income, and marital status;
- Relax or simplify application, reporting, financial management and evaluation requirements to permit comprehensive service delivery.

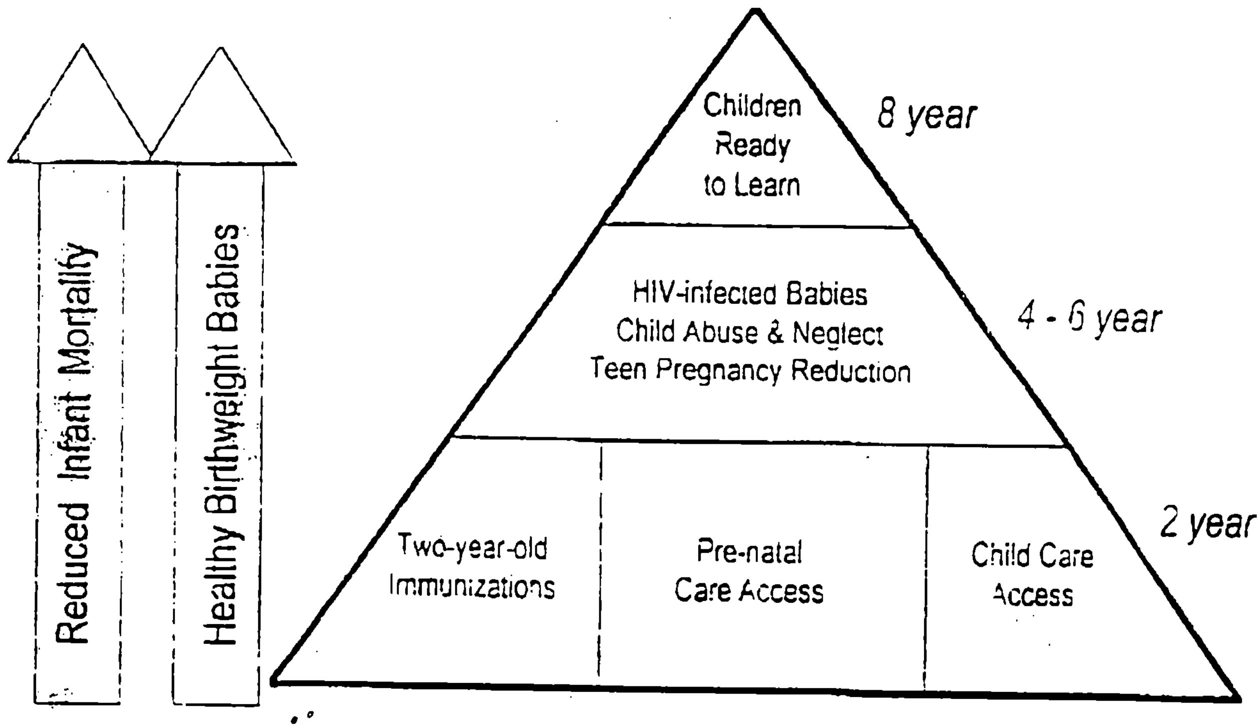
What's Already Been Done

Oregon has begun to prepare a waiver request under Section 1115 of the Social Security Act focused predominantly on AFDC, to accomplish much of the flexibility and reinvestment needs described above. HHS is working with the state throughout the process to assure that Federal interests, including cost neutrality and the establishment of adequate evaluation measures, are included in the state's waiver request.

OREGON: HEALTHY CHILDREN

Oregon's vision, expressed through the Benchmarks, is of "a place where children begin their early lives in strong, stable, nurturing and capable families. Their parents have access to prenatal and pediatric health care, early childhood education and quality child care."

HEALTHY CHILDREN: TIMEFRAME FOR RESULTS



Framework: Oregon's strategies to improve the health of the state's children are comprised of four interrelated approaches:

- Promote responsible parenthood
- Guarantee quality child care choices
- Ensure good health and protection
- Mobilize communities to support young children and their families

These approaches are also affected by benchmarks in other clusters such as family stability.

Oregon's Strategies to achieve the Healthy Children Benchmarks:

1. Create a service delivery system for Oregon of home visits by public health nurses and other home visitors.
2. Expand the system of family service centers and school-based health centers.
3. Strengthen the child care system.
4. Expand WIC participation.
5. Promote responsible parenthood.
6. Promote well child care, including immunization.
7. Promote access to prenatal care.

Federal role: Federal funding goes into Oregon for child health-related programs from a large number of sources, including: the Department of Agriculture (Women, Infants and Children nutrition and health education program, Extension Service),Department of Health and Human Services (Maternal and Child Health, Title V, Immunization, Family Planning (Title X), Medicaid, Title XX, and the new Family Preservation and Support Act, HeadStart, and the Department of Transportation. Other departments and programs may also be relevant to accomplishing the benchmarks in this cluster.

Certain federal agencies have made great strides in reducing unnecessary red tape and bureaucracy for their programs. Additional efforts to streamline funding, reduce reporting requirements and coordinate efforts to achieve results are being identified to help achieve the Healthy Child Benchmarks of the Oregon Option.

Progress so far:

- A federal/state/local team has agreed upon an initial set of benchmarks for healthy children and to begin immediately with immunization and access to prenatal care.
- The Conference of Local Health Officials and the Maternity Care Access have endorsed the Healthy Children initiative under the Oregon Option and begun to identify state, local and federal barriers to accomplishing the benchmarks.
- A federal/state/local team met in early October to discuss barriers and define specific steps to facilitate accomplishing the immunization goal. The group developed a work plan which agreed on actions for those items within current current authorities and identified teams to look at barriers that required additional investigation and possible legislative action.
- The Department of Health and Human Services has provided Oregon with the assurances it was seeking related to Medicaid policies affecting immunizations.
- HHS also provided Oregon technical assistance with outreach for immunization and on data for child health in early October.
- The U.S. Department of Agriculture Extension Service has identified a number of specific steps that it can take to facilitate the accomplishment of the immunization goal.
- The National Service Corps has joined Oregon's Preschool Immunization Consortium and is seeking ways to support the Oregon Option.
- Oregon officials have identified a number of specific new actions that they will take to reduce state and local barriers and facilitate the accomplishment of this benchmark.

Highlights of the current status on immunization and prenatal care are described below.

HEALTHY CHILDREN CHALLENGE: RAISE OREGON'S IMMUNIZATION RATE FOR TWO-YEAR-OLDS FROM 53 TO 90 PERCENT WITHIN TWO YEARS.

WHO: A local-state-federal partnership led by the Oregon Preschool Immunization Consortium. Participants include chief executives of all the state's hospital systems, Blue Cross/Blue Shield, Oregon Health Sciences University, the Oregon Health Division, country health departments, the Oregon Nurses Association, the Oregon Medical Association, Rotary Clubs, Oregon Public Broadcasting, other insurance companies, and dozens of other professional and voluntary organizations. Federal partners include the Departments of Health and Human Services and Agriculture and the National Service Corporation.

HOW: Fast-track new Oregon Preschool Immunization Consortium's marketing plan to reach:
- parents of pre-school children
- private and public providers of immunizations
- corporate and grassroots organizations

Speed action on each county's individual immunization plan targeting specific populations:
- High risk children through Healthy Start and Babies First programs
- WIC and AFDC families
- Day care populations
- Oregon Health Plan new enrollees

WHAT:

Statewide Strategy	**Illustrative Federal Support and Flexibility Needed**
Increase community awareness through marketing.	- Have USDA Extension agents support county level immunization efforts. - Assure that donations for Medicaid administrative match are allowed from private health care industry.
Accelerate outreach.	- Earmark 10% Child Care Block Grant funds for immunization outreach. - Obtain VISTA leader to support outreach. - Train local health departments at Extension Service Leadership Training.
Create Immunization Registry to monitor children from birth.	- Station federal epidemiologist in Oregon to assist. - Maximize use of social security number from birth.
Create a Universal Vaccine Program.	- Consolidate vaccine funding to support statewide Vaccine Fund and Program. Areas to consider: Oregon General Funds, Medicaid, Vaccine for Children, 317 Funds. - Assign federal employee to assist in development of vaccine fund and distribution plan. - Seek exemption from ERISA to permit requiring insurers to cover immunization in Oregon.
Streamline and simplify program management.	- Reduce number of applications, earmarked categories and reporting requirements for immunization programs.

HEALTHY CHILDREN CHALLENGE: RAISE THE PERCENTAGE OF BABIES WHOSE MOTHERS RECEIVE EARLY PRENATAL CARE (BEGINNING IN THE FIRST TRIMESTER) FROM 79 PERCENT TO 95 PERCENT BY 1996.

WHO: A local-state-federal partnership led by the Maternity Care Access Commission, local health departments and Commissions on Children and Families. Other major partners include the local branches of the American College of Nurse Midwives, the American College of Obstetricians and Gynecologists, the state and federal Medicaid offices, Health Systems in Collaboration, Oregon Health Sciences University, the Oregon Primary Care Association, Children First for Oregon and the Oregon Medical Association. Federal partners include the Departments of Health and Human Services, Agriculture and Education.

HOW:
- Begin with the results of a recently completed maternity survey to determine barriers to care.
- Use a recently acquired federal grant to develop plans in targeted high-risk communities.
- Examine insurance coverage policies for high-risk groups (teens, certain minorities, undocumented) with an eye toward changing obstructive policies.
- Expand the network of school-based clinics.

WHAT:

State Strategy	Illustrative Federal Support and Flexibility Needed
Under development	Under development

DATA CLUSTER

Background: Oregon has proposed a fundamental change in the intergovernmental relationship based on a simple principle: increased flexibility in exchange for improved performance and specific results. The viability of this principle hinges on reliable and timely information about accomplishments.

Oregon: The State Legislature established The Oregon Progress Board to track progress on the benchmarks. The Progress Board draws on a variety of federal, state and local sources of data to provide information about changes in the well-being of their population as a result of a variety of efforts. Oregon commissioned a biennial survey on the benchmarks and several other special-purpose surveys (for example, a literacy survey) to provide data for some benchmarks. As a result of their efforts, although gaps still exist, Oregon is a state already rich in data.

Federal Role: The federal government provides substantial information for the Benchmarks, especially through the Census (in particular the decennial census), the Bureau of Labor Statistics, and the National Center for Health Statistics. It is essential to the success of the Oregon Option that such information continue to be available. In addition, Oregon has requested federal assistance in filling data gaps, improving data quality, providing technical assistance, providing more data for counties and local jurisdictions, and identifying promising practices for accomplishing the benchmarks.

Progress To Date:

- The National Performance Review held an August briefing for the federal statistical community on the Oregon Option and the Oregon Benchmarks.
- At the request of OMB. senior staff from Census and the Bureau of Labor Statistics participated in the September site visit and met with the Oregon Progress Board and other local data users. They identified data strategies, needs and areas of cooperation. For example, federal agencies agreed to review the benchmarks to determine if there are additional sources of information and to assess the adequacy of current statistics. A federal/Oregon data cluster formed out of this meeting.
- OMB's Statistical Policy Office is facilitating participation of federal statistical agencies in the Oregon Option. A draft "Plan of Action" has been developed to provide an umbrella for assistance to Oregon and that would also result in products useful to other states. The plan will be presented to the federal statistical community.
- Census has begun to provide substantial technical assistance to Oregon. For example, Census is helping Oregon with population estimates for counties and other approaches that will save the state time and expense. They are assisting with special data tabulations, such as 1990 census tabulations related to welfare reform, and statistical assistance to improve the quality of surveys sponsored by Oregon.

- The Bureau of Labor Statistics is exploring ways that it can assist Oregon, for example, by developing an index of workforce diversification.

- The Department of Health and Human Services sent a team to Oregon in October to identify ways to assist in the strengthening of child health and related data.

THE WHITE HOUSE

WASHINGTON

FAX COVER SHEET

DATE: 10/02/95 **TIME:** ______

TO: Bill Curry

PHONE: ______

FAX: 456-6598

PAGES: ______

FROM: R. Gaynor McCown
Senior Policy Analyst
The Domestic Policy Council
Phone: (202) 456 - 5575
Fax: (202) 456 - 7028

COMMENTS: Per our discussion, attached is the information on Connecticut. Please note that the second document is "for internal use only." Hope this is useful.

THE VICE PRESIDENT

WASHINGTON

September 26, 1995

The Honorable Edward D. Bergin
Mayor
City of Waterbury
236 Grand Street
Waterbury, CT 06702

Dear Mayor Bergin:

Thank you for your recent letter regarding Connecticut's Neighborhood Revitalization Zones (NRZs). As Chair of the President's Community Empowerment Board (CEB) and the person responsible for the National Performance Review (NPR), I was excited to learn that the NRZ proposal has been signed into law. Congratulations on this remarkable collaboration. I agree that your state and local partnerships should be showcased as a national model.

Plan a meeting with the state

As you know, encouragement of local flexibility is a goal that the Clinton Administration shares with Connecticut. Our Administration is committed to improving the response of federal programs to innovative local revitalization efforts. Through the Empowerment Zones and Enterprise Communities initiative, we have embarked on an interagency effort to remove federal barriers and support bottom-up community revitalization. The Administration also is supporting statewide government reinvention efforts through intergovernmental partnerships with state and local entities in Indiana, Nebraska, Oregon, West Virginia, and other states.

The Administration is interested in learning more about Connecticut's plans to implement the NRZ legislation, and we would like to discuss how the federal government can be useful in this effort. I have asked Sheryll Cashin, the Staff Director of the CEB, and Beverly Godwin, of the NPR staff, to further explore these issues with state and local representatives. They will be contacting the appropriate state officials shortly in order to coordinate this discussion.

Again, thank you for your letter. I wish the State of Connecticut the best of luck in implementing the NRZs, and I am looking forward to seeing how we can contribute to revitalizing Connecticut's economically distressed neighborhoods.

Sincerely,

Al Gore

AG:mp

i:\stlocal\conn

DRAFT
9/22/95

INTERNAL DOCUMENT

VISION OF A POSSIBLE PARTNERSHIP WITH CONNECTICUT TO REVITALIZE NEIGHBORHOODS

Background:

Connecticut has just passed an extremely innovative law, "An Act Establishing a Neighborhood Revitalization Zone Process ", which creates a new model for economic revitalization of deteriorating neighborhoods. This law aims to empower local communities to make decisions; provide relief from burdensome regulations and systems barriers, and provide for federal, state and local collaboration to coordinate governmental functions and personnel to develop and implement the locally-driven strategic plan to revitalize neighborhoods.

The Congressional delegation from Connecticut and numerous State and local officials have written to the Vice President asking the federal government to partner with Connecticut in these efforts.

Potential Federal Role:

Promote Connecticut as a national model of implementing innovative strategies to revitalize communities. This has already happened in several ways:

-- 9/20/95 Connecticut recognized before Congress in testimony by Howard Glaser, Acting Deputy Assistant Secretary for Operations, Office of Community Planning and Development, U.S. Department of Housing and Urban Development, before the House Subcommittee on Human Resources and Intergovernmental Relation's Hearing on "Local Empowerment and Flexibility Act".

-- 11/14-15/95 Connecticut invited to participate in White House Conference on Innovative Approaches to Comprehensive Services to showcase to other States how Connecticut's new law can serve as a tool both to empower communities and to provide the flexibility needed to provide comprehensive services.

Designate Lead Person to Work With Connecticut

-- HUD will take the lead on this partnership because of Connecticut's focus on neighborhood revitalization, economic development, and housing issues. Community Empowerment Board and National Performance Review Staff will initiate discussions with Connecticut but the ongoing single point of contact with Connecticut will be from HUD.

Designate Small Interagency Group to Work Regularly With Connecticut.

-- The person HUD designated as the single point of contact for Connecticut will also lead the federal interagency group (with EPA, FDIC, and OVP representation) to work regularly with Connecticut to develop and implement the partnership. HUD may want to assign additional HUD staff to this work group (e.g., the person who currently serves as liaison to the Bridgeport and New Haven Empowerment Communities and/or the staff (Roland Hutter--steering committee, Jeff Wallace, Robert Donovan) who worked with Connecticut's Neighborhood Revitalization and Reinvestment Task Force which led to the Connecticut legislation).

-- EPA will assign one person as a liaison for the Connecticut partnership since Connecticut is also focusing on environment, health and safety codes and regulations, as well as using foreclosed and abandoned properties as a primary tool to revitalize neighborhoods. The EPA staff will collaborate with HUD and the small interagency group to work regularly with Connecticut as we develop and implement the partnership.

-- The Federal Deposit Insurance Corporation, which lent several staff to serve as members of Connecticut's Neighborhood Revitalization and Reinvestment Task Force, will assign at least one person as the FDIC lead to work with Connecticut and the federal interagency team to develop and implement this partnership. [The FDIC staff on the task force are Roger Bird and Thomas Ciccalone--steering committee; Diane Fournier, Thomas Stokes.]

-- The Office of the Vice President will assign at least one person to work with HUD, EPA, FDIC and Connecticut as we develop and implement the partnership, and to coordinate work between the Community Empowerment Board and National Performance Review.

-- The role of this interagency team will be to:

- o Provide single point of contact (from HUD) to be a liaison for interagency issues and to serve as convener when necessary
- o Process barrier removal requests from Connecticut through HUD, EPA and the EZ/EC Task Force (e.g., help identify source of barriers, identify possible alternatives to enhance local flexibility, quickly process waiver requests, serve as advocate for legislative changes when necessary)
  - -- The HUD, EPA, and FDIC liaisons will process waiver/barrier removal requests dealing with HUD, EPA and FDIC programs/issues. Waiver requests will be processed within XX days.
  - -- The HUD liaison (single point of contact) to Connecticut will bring to the EZ/EC task force waiver/barrier removal requests from Connecticut that affect agencies other than HUD, EPA, and FDIC.
  - -- The HUD liaison will bring to the CEB work group any interagency policy issues or requests for assistance as they arise with the State or individual NRZs.
- o Provide Connecticut and its municipalities with information and staff resources as needed
- o Provide or refer to technical assistance needed and requested by Connecticut (e.g., benchmarking, performance measurement, capacity building, community development financing, negotiated environmental strategies, violence prevention strategies)
- o Provide Connecticut with information and contacts on promising practices from other

states and localities
- o Assist with data needs
- o Be accountable for federal performance in the partnership
- o Showcase Connecticut's approach as a national model

Other federal agencies will participate as needed

-- Through the EZ/EC Task Force, other agencies will be notified of waiver requests affecting their agencies and will process these requests within XX days.

-- Through the CEB Work Group, other agencies will be notified of policy and other issues affecting their agencies. CEB Work Group Members will identify appropriate experts and staff from their agencies to work with Connecticut as needed depending on the issues brought up throughout the partnership.

Meet with Connecticut to develop partnership

-- CEB and NPR staff will initiate the initial meeting which will be between Connecticut officials and members of the federal interagency work group.

-- The initial meeting will be used to discuss:
- o more about Connecticut's new act and State/local plans to implement the act
- o how the federal government can be of most assistance in these efforts
- o issues of benchmarks and performance measures
- o federal, state, and local partnership -- roles of each and process of working together
- o development of a possible memorandum of agreement -- what it would contain, who would sign
- o next steps

Develop Memorandum of Agreement with Connecticut

-- The federal interagency work group will work regularly with Connecticut to develop a Memorandum of Agreement. Ideally, this MOA will be signed by the Governor and other state officials, local officials as determined by Connecticut, the Connecticut Congressional delegation, the Vice President, the Secretary of HUD, the Administrator of EPA, and the Head of the Federal Deposit Insurance Corporation. Ideally, this memorandum will reflect the needs of Connecticut in implementing this law as well as the desires of the Administration to make these state and local partnerships include outcome and performance measures. The EZ/EC MOAs, the Dallas-Texas-HUD Memorandum of Understanding, and the Oregon Option Memorandum of Understanding can serve as models for the Connecticut MOA.

The Community Empowerment Board and the National Performance Review will provide ongoing support

-- The Community Empowerment Board, which has experience with local partnerships, and the National Performance Review, which has experience with state partnerships, will work together to support this federal-state-local partnership with Connecticut. Support will be provided to showcase Connecticut as a national model, to furnish information to Connecticut and across federal agencies about related efforts, to deal with stumbling blocks against barrier removal, to ensure interagency involvement, to designate staff to the interagency team to work with Connecticut, and to involve the Vice President as needed.

State Role (per law):

In addition to the State role provided in Connecticut's law (below), the federal partners should suggest to Connecticut that the State:

-- Provide single point of contact between the NRZs and the federal government. The State can look systematically across NRZs to analyze, synthesize, determine common requests, and coordinate waiver/barrier requests from the NRZs.
-- The State can help NRZs determine which waiver/barrier request require federal action. The State could then notify the federal team.
-- The State should also work with NRZs to help them meet the requirement of the law that they monitor and evaluate the progress of their plan. This should include the use of outcome and performance measures.

Coordinate state services to Neighborhood Revitalization Zones under the lead of the Connecticut Office of Policy and Management

Review all NRZ Committee plans and provide feedback

Process waiver requests: Upon receipt of waiver requests from municipalities, the Secretary of the Office of Policy and Management will notify the state official responsible for the code enforcement. The state official must hold a public hearing within ten days of notification from OPM and must notify the municipal chief executive within five days after the hearing of the decision regarding the waiver request.

Develop guidelines for state departments, agencies, and institutions to provide technical assistance to NRZs (this is optional in the law).

-- Guidelines may provide for multiagency collaboration as well as a process to make funds, technical support and training available to neighborhoods.
-- Guidelines may also recommend models for community outreach, job training and education, conflict resolution, environmental and health performance standards, new technologies, and public safety strategies.

Local (Municipality) Role (per law):

Create Neighborhood Revitalization Zones -- through municipal resolutions -- in areas where a significant number of properties are foreclosed, abandoned, blighted, substandard, or pose a public safety hazard. Jointly determine zone boundaries with neighborhood committees.

Facilitate neighborhood planning process, assign municipal staff, provide information to the neighborhood committees, and modify municipal procedures to assist NRZs.

Hold public hearings prior to the adoption of a neighborhood committee's strategic revitalization plan.

Submit proposed plan to the State (Secretary, Connecticut Office of Policy and Management) for review and comment

Adopt the plan through municipal ordinance

Approve waivers of local codes and regulations and forward waivers to state officials. Upon receipt of waiver requests from the neighborhood committees, the municipal chief executive official must notify the local official responsible for code enforcement and the Secretary of Connecticut's Office of Policy and Management. The local official must hold a public hearing within ten days of notification and provide to the municipal chief executive within five days after the hearing a decision regarding the waiver request.

Establish multi-agency collaborative delivery teams (this is optional in the law)

Neighborhood Role: (per law)

Form Neighborhood Revitalization Planning Committee -- tenants, property owners, community organizations, businesses with property in neighborhood, municipal official, to:

Create and approve the neighborhood strategic plan for short term and long term revitalization of the neighborhood. The strategic plan:

- will be designed to promote self-reliance in the neighborhood, home ownership, property management, sustainable economic development, effective relations between landlords and tenants, coordinated and comprehensive delivery of services to the neighborhood and creative leveraging of financial resources and shall build neighborhood capacity for self-empowerment.
- will include provisions for obtaining funds from public and private sources
- will consider provisions for property usage, neighborhood design, traditional and nontraditional financing of developing, marketing and outreach, property management, utilization of municipal facilities by communities, recreation, and the environment
- will include recommendations for waivers of state and local environment, health and safety codes, and regulations that unreasonably jeopardize implementation of the plan
- will assign responsibility for implementing each aspect of the plan
- may contain an inventory of abandoned, foreclosed and deteriorated property; may analyze federal, state and local environmental, health and safety codes and regulations that impact revitalization of neighborhoods
- may include components for public safety, education, job training, youth, the elderly, and arts and culture.

- may contain recommendations for establishment of municipal, multi-agency collaborative delivery teams, including code enforcement teams

Request waivers of rules and regulations that impede the plan, particularly state and local environment, health and safety codes and regulations that unreasonably jeopardize implementation of the plan

Monitor and evaluate the progress of the plan

Request local and state government to allocate funds and personnel to the NRZs

Report on the plan's implementation to the local legislative body, municipal chief executive official, and the Connecticut Office of Policy and Management -- every 6 months during the first year; annually thereafter.

Waiver Process (per law):

The Neighborhood Revitalization Committee must notify the municipal chief executive official within five days of the committee's decision to waive codes consistent with the adopted plan.

The municipal chief executive official must notify the local official responsible for code enforcement and the Secretary of Connecticut's Office of Policy and Management (OPM).

The Connecticut OPM Secretary must then notify the state official responsible for the code enforcement.

The state or local official must hold a public hearing within ten days of notification from OPM.

The state or local official must notify the municipal chief executive within five days after conclusion of the hearing of the decision regarding the waiver request. This decision is final.

Recommended Federal Involvement in this Process:

- We should discuss with Connecticut the State role in analyzing, synthesizing, and coordinating the local requests from all NRZs prior to notification to the federal team.
- Once notified by the State, HUD, EPA and FDIC will process waiver requests for issues affecting their agencies. These requests will be processed within XX days.
- The HUD lead will bring waivers affecting other agencies to the EZ/EC task force and notify the CEB wok group. These requests will be processed within XX days.
- The Community Empowerment Board and the National Performance Review will serve as troubleshooters as needed.

S.88
Summary

Bill purpose: "To increase the overall economy and efficiency of Government operations and enable more efficient use of Federal funding, by enabling local governments and private, nonprofit organizations to use amounts available under certain Federal assistannce programs in accordance with apporoved local flexibility plans.

Section 1: Short Title
space "Local Empowerment and Flexibility Act of 1995."

Section 2: Findings
*Some program requirements tied to categorical Federal financial assistance and Federal, state, and local regulations may impede effective local service delivery and the implementation of innovative community involvement strategies.
space *Increasingly complex social problems and the diversity of populations requiring social services make it increasingly vital to flexibly promote effective local service delivery, reduce barriers between programs that impede such delivery, and promote the innovative creation of community programs by local governments and private, nonprofit organizations.

Section 3: Purposes
*increased spending efficiency
*to enable local governments to adapt Federal financial assistance programs to suit specific community needs by allowing them to draw from appropriations from more than one Federal program and integrate programs and funds across current Federal financial assistance categories
*facilitation of partnerships between local governments and private, nonprofit organizations to address service problems

Section 4: Definitions
***Approved local flexibility plan:** plan combining funds from Federal, State, local or private sources to provide services to a community, approved by ***Flexibility Council** (Council composed of Cabinet)
***Eligible Federal financial assistance program:** Federal program under which funds are available to a local government or a ***qualified organization** (private, non-profit organization) to implement the program
***Covered Federal financial assistance program:** eligible federal financial assistance program included in a local government's local flexibility plan

Section 5: Provision of Federal Financial Assistance in Accordance With Approved Local Flexibility Plan.
Funds available to a local government or nonprofit organization under a covered Federal financial assistance program, and to eligible individuals thereby, shall be used in accordance with

the approved local flexibility plan.

Section 6: Application for Approval of Local Flexibility Plan
Main requirements to applications for approval of a local flexibility plan submitted by a local government to the Flexibility Council include:

1 (A) A proposal that addresses:

*geographic area to which plan applies

*population to be served

*precise goals, how these will be met, measurable performance criteria, how performance will be measured

*how cost as well as plan impact on service recipients and the community at large will be comprehensively assessed

*eligible Federal financial assistance programs to be included in the plan and the specific benefits to be provided, including:

- -criteria for determining eligibility for benefits under the plan
- -services available
- -amounts and form of nonservice benefits

*except for requirements under section 8(b)(3), all Federal statutory or regulatory requirements applicable under Federal financial assistance programs included in proposed plan

*fiscal control, related accountability procedures

*sources of non-Federal funds needed to implement covered Federal financial assistance programs in the plan

OR, (B) Plan submitted in application for designation as enterprise community or empowerment zone

In both cases, must provide assurance that local government has ability to implement plan as proposed, and that amounts are available from non-Federal sources to pay the non-Federal share of all covered federal financial assistance programs.

Section 7: Review and Approval of Local Flexibility Plans
Some main factors mitigating approval of plan by Flexibility Council:

*plan or part thereof will improve efficiency/effectiveness of provision of benefits under covered Federal programs

*effect that administration of each covered Federal program will have on implementation of others under the plan has been considered and addressed by local government

*plan or part thereof ensures that individuals and families receiving benefits under covered Federal financial assistance programs shall continue to receive benefits that meet needs intended to be met under the program

*local government has waived corresponding local laws necessary for plan implementation, and has sought any needed waivers from the State

A primary reason Flexibility Council will not approve a local flexibility plan or part thereof: implementation will lead to net increase in obligations or outlays of discretionary appropriations or direct spending under covered Federal financial assistance programs. Disapproval of any part of proposal will not affect the eligibility of local governments, qualified organizations, or individuals for benefits under any Federal assistance program.

Memoranda of Understanding: Such memorandum is required between Flexibility Council and each local government and qualified organization that would receive assistance, before Flexibility Council may approve part or all of local flexibility plan. Understanding regards:

*requirements under covered Federal financial assistance programs, that are to be waived under section 8(b)

*total amount of Federal funds to be utilized for benefits or administration of covered Federal financial assistance programs, or a method to determine the amount, and sources of non-Federal funds for parallel purposes

*measurable performance criteria, how data for assessment will be attained

Section 8: Implementation of Approved Local Flexibility Plans; Waiver of Requirements
Notwithstanding any other law and subject to the following, Flexibility Council may waive any requirement applicable under Federal law to the administration of, or provision of benefits under, any covered Federal assistance program. Flexibility Council may not waive a requirement if waiver will not result in reduction in services or benefits to any persons eligible for benefits under a Federal financial assistance program. Further restrictions: p. 19.

To law-permitted extent, each Federal agency head will provide assistance, including priority funding, to a local government or qualified organization to support implementation of local flexibility plans.

Local government shall submit reports on and cooperate in audits of plan implementation, and periodically evaluate community effects and costs of administration of covered Federal assistance programs. Annual reports on principal plan activities and accomplishments will be submitted, with reference to goals and established performance criteria. Soon after the end of the effective period of an approved local flexibility plan (or any time before this), local government will submit final report on evaluation of success and shortcomings of both plan and effects. The effectiveness period may be extended by Flexibility Council.

If goals are not met, as demonstrated by annual reports or final report, the plan may be terminated by the Flexibility Council. Reasonable time would be given for appropriate government agencies and qualified organizations to resume administration of covered Federal financial assistance programs.

Section 9: Community Advisory Committees
Will be established by a local government that is applying for approval of local flexibility plan, to advise local government in

development and implementation of local flexibility plan, give their approval to final proposed plan, and review local government's periodic evaluation reports. Will consist of private and public community leaders, individuals from community organizations, and general public.

Section 10: Technical and Other Assistance
Flexibility Council may provide, or direct that a Federal agency head provide, technical assistance to local government or qualified organization in developing information needed for design and implementation of a local flexibility plan.

Section 11: Flexibility Council
Main functions:
*Review, approve, or disapprove proposals for local flexibility plans
*monitor development and implementation progress
*issue regulations to implement this act within 180 days of enactment
*upon request of applicant for approved local flexibility plan, will direct the head of a Federal agency that administers a covered financial assistance program under which substantial Federal financial assistance would be provided under the plan to provide the applicant with technical assistance
*Submit initial and annual reports to President and Congress on the 5 Federal regulations they have most frequently waived for local governments with approved local flexibility plans. The President will review reports and decide whether to amend or terminate these regulations

Section 12: Report
Within 54 months of enactment of this Act, the Comptroller General of the United States will submit a report to Congress that describes progress in the establishment and implementation of local flexibility plans by local governments, assesses the effectiveness of included Federal assistance programs, and makes recommendations.

Section 13: Conditional Termination
Act effectiveness terminates 5 years after enactment unless extended by Congress under the following resolution.

Section 14: Joint Resolution for the Continuation and Expansion of Local Flexibility Programs
*Congress approves the application of local flexibility plans to all local governments in accordance with this Act
*Up to 30 days after the Comptroller's report is given, this resolution will be introduced in the Senate and House of representatives. Appropriate congressional committees will make recommendations in a timely fashion; if they do not, the resolution will be placed on the appropriate calendar. Further description of Congressional procedures...

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

ROUTE SLIP

TO: Gaynor McCowan

Take necessary action	☐
Approval signature	☐
Comment	☐
Prepare reply	☐
Discuss with me	☐
For your information	☒
See remarks below	☐

FROM: Ingrid Schroeder (ext. 53883)

DATE: Sept. 27, 1995

REMARKS

Attached are copies of S. 88 + HR 2086 - local flexibility bills.

One of our summer interns compared the two bills - I attached his email report for your reference.

Neither bill has been marked up by Committee - therefore the language has not been changed or amended.

Call with any questions

104TH CONGRESS
1ST SESSION

S. 88

To increase the overall economy and efficiency of Government operations and enable more efficient use of Federal funding, by enabling local governments and private, nonprofit organizations to use amounts available under certain Federal assistance programs in accordance with approved local flexibility plans.

IN THE SENATE OF THE UNITED STATES

JANUARY 4, 1995

Mr. HATFIELD introduced the following bill; which was read twice and referred to the Committee on Governmental Affairs

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A BILL

To increase the overall economy and efficiency of Government operations and enable more efficient use of Federal funding, by enabling local governments and private, nonprofit organizations to use amounts available under certain Federal assistance programs in accordance with approved local flexibility plans.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Local Empowerment and Flexibility Act of 1995".

SEC. 2. FINDINGS.

The Congress finds that—

(1) historically, Federal programs have addressed the Nation's problems by providing categorical financial assistance with detailed requirements relating to the use of funds;

(2) while the assistance described in paragraph (1) has been directed at critical problems, some program requirements may inadvertently impede the effective delivery of services;

(3) the Nation's local governments and private, nonprofit organizations are dealing with increasingly complex problems which require the delivery of many kinds of services;

(4) the Nation's communities are diverse, and different needs are present in different communities;

(5) it is more important than ever to provide programs that—

(A) promote more effective and efficient local delivery of services to meet the full range of needs of individuals, families, and society;

(B) respond flexibly to the diverse needs of the Nation's communities;

(C) reduce the barriers between programs that impede local governments' ability to effectively deliver services; and

(D) empower local governments and private, nonprofit organizations to be innovative in creating programs that meet the unique needs of their communities while continuing to address national policy goals; and

(6) many communities have innovative planning and community involvement strategies for providing services, but Federal, State, and local regulations often hamper full implementation of local plans.

SEC. 3. PURPOSES.

The purposes of this Act are to—

(1) enable more efficient use of Federal, State, and local resources;

(2) place less emphasis in Federal service programs on measuring resources and procedures and more emphasis on achieving Federal, State, and local policy goals;

(3) enable local governments and private, nonprofit organizations to adapt programs of Federal financial assistance to the particular needs of their communities, by—

(A) drawing upon appropriations available from more than one Federal program; and

(B) integrating programs and program funds across existing Federal financial assistance categories; and

(4) enable local governments and private, nonprofit organizations to work together and build stronger cooperative partnerships to address critical service problems.

SEC. 4. DEFINITIONS.

For purposes of this Act—

(1) the term "approved local flexibility plan" means a local flexibility plan that combines funds from Federal, State, local government or private sources to address the service needs of a community (or any part of such a plan) that is approved by the Flexibility Council under section 5;

(2) the term "community advisory committee" means such a committee established by a local government under section 9;

(3) the term "Flexibility Council" means the council composed of the—

(A) Assistant to the President for Domestic Policy;

(B) Assistant to the President for Economic Policy;

(C) Secretary of the Treasury;

(D) Attorney General;

(E) Secretary of the Interior;

(F) Secretary of Agriculture;

(G) Secretary of Commerce;

(H) Secretary of Labor;

(I) Secretary of Health and Human Services;

(J) Secretary of Housing and Urban Development;

(K) Secretary of Transportation;

(L) Secretary of Education;

(M) Secretary of Energy;

(N) Secretary of Veterans Affairs;

(O) Secretary of Defense;

(P) Director of Federal Emergency Management Agency;

(Q) Administrator of the Environmental Protection Agency;

(R) Director of National Drug Control Policy;

(S) Administrator of the Small Business Administration;

(T) Director of the Office of Management and Budget; and

(U) Chair of the Council of Economic Advisers.

(4) the term "covered Federal financial assistance program" means an eligible Federal financial assistance program that is included in a local flexibility plan of a local government;

(5) the term "eligible Federal financial assistance program"—

(A) means a Federal program under which financial assistance is available, directly or indirectly, to a local government or a qualified organization to carry out the specified program; and

(B) does not include a Federal program under which financial assistance is provided by the Federal Government directly to a beneficiary of that financial assistance or to a State as a direct payment to an individual;

(6) the term "eligible local government" means a local government that is eligible to receive financial assistance under 1 or more covered Federal programs;

(7) the term "local flexibility plan" means a comprehensive plan for the integration and administration by a local government of financial assistance

provided by the Federal Government under 2 or more eligible Federal financial assistance programs;

(8) the term "local government" means a subdivision of a State that is a unit of general local government (as defined under section 6501 of title 31, United States Code);

(9) the term "priority funding" means giving higher priority (including by the assignment of extra points, if applicable) to applications for Federal financial assistance submitted by a local government having an approved local flexibility program, by—

(A) a person located in the jurisdiction of such a government; or

(B) a qualified organization eligible for assistance under a covered Federal financial assistance program included in such a plan;

(10) the term "qualified organization" means a private, nonprofit organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of the Internal Revenue Code of 1986; and

(11) the term "State" means the 50 States, the District of Columbia, Puerto Rico, American Samoa, Guam, and the Virgin Islands.

SEC. 5. PROVISION OF FEDERAL FINANCIAL ASSISTANCE IN ACCORDANCE WITH APPROVED LOCAL FLEXIBILITY PLAN.

(a) PAYMENTS TO LOCAL GOVERNMENTS.—Notwithstanding any other provision of law, amounts available to a local government or a qualified organization under a covered Federal financial assistance program included in an approved local flexibility plan shall be provided to and used by the local government or organization in accordance with the approved local flexibility plan.

(b) ELIGIBILITY FOR BENEFITS.—An individual or family that is eligible for benefits or services under a covered Federal financial assistance program included in an approved local flexibility plan may receive those benefits only in accordance with the approved local flexibility plan.

SEC. 6. APPLICATION FOR APPROVAL OF LOCAL FLEXIBILITY PLAN.

(a) IN GENERAL.—A local government may submit to the Flexibility Council in accordance with this section an application for approval of a local flexibility plan.

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

(1)(A) a proposed local flexibility plan that complies with subsection (c); or

(B) a strategic plan submitted in application for designation as an enterprise community or an

empowerment zone under section 1391 of the Internal Revenue Code of 1986;

(2) certification by the chief executive of the local government, and such additional assurances as may be required by the Flexibility Council, that—

(A) the local government has the ability and authority to implement the proposed plan, directly or through contractual or other arrangements, throughout the geographic area in which the proposed plan is intended to apply; and

(B) amounts are available from non-Federal sources to pay the non-Federal share of all covered Federal financial assistance programs included in the proposed plan; and

(3) any comments on the proposed plan submitted under subsection (d) by the Governor of the State in which the local government is located;

(4) public comments on the plan including the transcript of at least 1 public hearing and comments of the appropriate community advisory committee established under section 9; and

(5) other relevant information the Flexibility Council may require to approve the proposed plan.

(c) CONTENTS OF PLAN.—A local flexibility plan submitted by a local government under this section shall include—

(1) the geographic area to which the plan applies and the rationale for defining the area;

(2) the particular groups of individuals, by service needs, economic circumstances, or other defining factors, who shall receive services and benefits under the plan;

(3)(A) specific goals and measurable performance criteria, a description of how the plan is expected to attain those goals and criteria;

(B) a description of how performance shall be measured; and

(C) a system for the comprehensive evaluation of the impact of the plan on participants, the community, and program costs;

(4) the eligible Federal financial assistance programs to be included in the plan as covered Federal financial assistance programs and the specific benefits that shall be provided under the plan under such programs, including—

(A) criteria for determining eligibility for benefits under the plan;

(B) the services available;

(C) the amounts and form (such as cash, in-kind contributions, or financial instruments) of nonservice benefits; and

(D) any other descriptive information the Flexibility Council considers necessary to approve the plan;

(5) except for the requirements under section 8(b)(3), any Federal statutory or regulatory requirement applicable under a covered Federal financial assistance program included in the plan, the waiver of which is necessary to implement the plan;

(6) fiscal control and related accountability procedures applicable under the plan;

(7) a description of the sources of all non-Federal funds that are required to carry out covered Federal financial assistance programs included in the plan;

(8) written consent from each qualified organization for which consent is required under section 6(b)(2); and

(9) other relevant information the Flexibility Council may require to approve the plan.

(d) PROCEDURE FOR APPLYING.—(1) To apply for approval of a local flexibility plan, a local government shall submit an application in accordance with this section to the Governor of the State in which the local government is located.

(2) A Governor who receives an application from a local government under paragraph (1) may, by no later than 30 days after the date of that receipt—

(A) prepare comments on the proposed local flexibility plan included in the application;

(B) describe any State laws which are necessary to waive for successful implementation of a local plan; and

(C) submit the application and comments to the Flexibility Council.

(3) If a Governor fails to act within 30 days after receiving an application under paragraph (2), the applicable local government may submit the application to the Flexibility Council.

SEC. 7. REVIEW AND APPROVAL OF LOCAL FLEXIBILITY PLANS.

(a) REVIEW OF APPLICATIONS.—Upon receipt of an application for approval of a local flexibility plan under this Act, the Flexibility Council shall—

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

(2) notify the applicant in writing of that approval or disapproval by not later than 15 days after the date of that approval or disapproval; and

(3) in the case of any disapproval of a plan, include a written justification of the reasons for disapproval in the notice of disapproval sent to the applicant.

(b) APPROVAL.—(1) The Flexibility Council may approve a local flexibility plan for which an application is submitted under this Act, or any part of such a plan, if a majority of members of the Council determines that—

(A) the plan or part shall improve the effectiveness and efficiency of providing benefits under covered Federal programs included in the plan by reducing administrative inflexibility, duplication, and unnecessary expenditures;

(B) the applicant local government has adequately considered, and the plan or part of the plan appropriately addresses, any effect that administration of each covered Federal program under the plan or part of the plan shall have on administration of the other covered Federal programs under that plan or part of the plan;

(C) the applicant local government has or is developing data bases, planning, and evaluation processes that are adequate for implementing the plan or part of the plan;

(D) the plan shall more effectively achieve Federal financial assistance goals at the local level and shall better meet the needs of local citizens;

(E) implementation of the plan or part of the plan shall adequately achieve the purposes of this Act and of each covered Federal financial assistance program under the plan or part of the plan;

(F) the plan and the application for approval of the plan comply with the requirements of this Act;

(G) the plan or part of the plan is adequate to ensure that individuals and families that receive benefits under covered Federal financial assistance programs included in the plan or part shall continue to receive benefits that meet the needs intended to be met under the program; and

(H) the local government has—

(i) waived the corresponding local laws necessary for implementation of the plan; and

(ii) sought any necessary waivers from the State.

(2) The Flexibility Council may not approve any part of a local flexibility plan if—

(A) implementation of that part would result in any increase in the total amount of obligations or outlays of discretionary appropriations or direct spending under covered Federal financial assistance programs included in that part, over the amounts of such obligations and outlays that would occur under those programs without implementation of the part; or

(B) in the case of a plan or part that applies to assistance to a qualified organization under an eligible Federal financial assistance program, the qualified organization does not consent in writing to the receipt of that assistance in accordance with the plan.

(3) The Flexibility Council shall disapprove a part of a local flexibility plan if a majority of the Council disapproves that part of the plan based on a failure of the part to comply with paragraph (1).

(4) In approving any part of a local flexibility plan, the Flexibility Council shall specify the period during which the part is effective. An approved local flexibility plan shall not be effective after the date of the termination of effectiveness of this Act under section 13.

(5) Disapproval by the Flexibility Council of any part of a local flexibility plan submitted by a local government

under this Act shall not affect the eligibility of a local government, a qualified organization, or any individual for benefits under any Federal program.

(c) MEMORANDA OF UNDERSTANDING.—(1) The Flexibility Council may not approve a part of a local flexibility plan unless each local government and each qualified organization that would receive financial assistance under the plan enters into a memorandum of understanding under this subsection with the Flexibility Council.

(2) A memorandum of understanding under this subsection shall specify all understandings that have been reached by the Flexibility Council, the local government, and each qualified organization that is subject to a local flexibility plan, regarding the approval and implementation of all parts of a local flexibility plan that are the subject of the memorandum, including understandings with respect to—

(A) all requirements under covered Federal financial assistance programs that are to be waived by the Flexibility Council under section 8(b);

(B)(i) the total amount of Federal funds that shall be provided as benefits under or used to administer covered Federal financial assistance programs included in those parts; or

(ii) a mechanism for determining that amount, including specification of the total amount of Federal funds that shall be provided or used under each covered Federal financial assistance program included in those parts;

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

(D) measurable performance criteria that shall be used during the term of those parts to determine the extent to which the goals and performance levels of the parts are achieved; and

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

(d) LIMITATION ON CONFIDENTIALITY REQUIREMENTS.—The Flexibility Council may not, as a condition of approval of any part of a local flexibility plan or with respect to the implementation of any part of an approved local flexibility plan, establish any confidentiality requirement that would—

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

(2) conflict with law.

SEC. 8. IMPLEMENTATION OF APPROVED LOCAL FLEXIBILITY PLANS; WAIVER OF REQUIREMENTS.

(a) PAYMENTS AND ADMINISTRATION IN ACCORDANCE WITH PLAN.—Notwithstanding any other law, any benefit that is provided under a covered Federal financial assistance program included in an approved local flexibility plan shall be paid and administered in the manner specified in the approved local flexibility plan.

(b) WAIVER OF REQUIREMENTS.—(1) Notwithstanding any other law and subject to paragraphs (2) and (3), the Flexibility Council may waive any requirement applicable under Federal law to the administration of, or provision of benefits under, any covered Federal assistance program included in an approved local flexibility plan, if that waiver is—

(A) reasonably necessary for the implementation of the plan; and

(B) approved by a majority of members of the Flexibility Council.

(2) The Flexibility Council may not waive a requirement under this subsection unless the Council finds that waiver of the requirement shall not result in a qualitative reduction in services or benefits for any individual or family that is eligible for benefits under a covered Federal financial assistance program.

(3) The Flexibility Council may not waive any requirement under this subsection—

(A) that enforces any constitutional or statutory right of an individual, including any right under—

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

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

(iii) title IX of the Education Amendments of 1972 (86 Stat. 373 et seq.);

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

(v) the Americans with Disabilities Act of 1990;

(B) for payment of a non-Federal share of funding of an activity under a covered Federal financial assistance program; or

(C) for grants received on a maintenance of effort basis.

(c) SPECIAL ASSISTANCE.—To the extent permitted by law, the head of each Federal agency shall seek to provide special assistance to a local government or qualified organization to support implementation of an approved local flexibility plan, including expedited processing, priority funding, and technical assistance.

(d) EVALUATION AND TERMINATION.—(1) A local government, in accordance with regulations issued by the Flexibility Council, shall—

(A) submit such reports on and cooperate in such audits of the implementation of its approved local flexibility plan; and

(B) periodically evaluate the effect implementation of the plan has had on—

(i) individuals who receive benefits under the plan;

(ii) communities in which those individuals live; and

(iii) costs of administering covered Federal financial assistance programs included in the plan.

(2) No later than 90 days after the end of the 1-year period beginning on the date of the approval by the Flexibility Council of an approved local flexibility plan of a local government, and annually thereafter, the local government shall submit to the Flexibility Council a report on the principal activities and achievements under the plan during the period covered by the report, comparing those

achievements to the goals and performance criteria included in the plan under section 6(c)(3).

(3)(A) The Flexibility Council may terminate the effectiveness of an approved local flexibility plan, if the Flexibility Council, after consultation with the head of each Federal agency responsible for administering a covered Federal financial assistance program included in such, determines—

(i) that the goals and performance criteria included in the plan under section 6(c)(3) have not been met; and

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

(B) In terminating the effectiveness of an approved local flexibility plan under this paragraph, the Flexibility Council shall allow a reasonable period of time for appropriate Federal, State, and local agencies and qualified organizations to resume administration of Federal programs that are covered Federal financial assistance programs included in the plan.

(e) FINAL REPORT; EXTENSION OF PLANS.—(1) No later than 45 days after the end of the effective period of an approved local flexibility plan of a local government, or at any time that the local government determines that the plan has demonstrated its worth, the local government shall submit to the Flexibility Council a final report on its implementation of the plan, including a full evaluation of the successes and shortcomings of the plan and the effects of that implementation on individuals who receive benefits under those programs.

(2) The Flexibility Council may extend the effective period of an approved local flexibility plan for such period as may be appropriate, based on the report of a local government under paragraph (1).

SEC. 9. COMMUNITY ADVISORY COMMITTEES.

(a) ESTABLISHMENT.—A local government that applies for approval of a local flexibility plan under this Act shall establish a community advisory committee in accordance with this section.

(b) FUNCTIONS.—A community advisory committee shall advise a local government in the development and implementation of its local flexibility plan, including advice with respect to—

(1) conducting public hearings; and

(2) reviewing and commenting on all community policies, programs, and actions under the plan which affect low income individuals and families, with the purpose of ensuring maximum coordination

and responsiveness of the plan in providing benefits under the plan to those individuals and families.

(c) MEMBERSHIP.—The membership of a community advisory committee shall—

(1) consist of—

(A) persons with leadership experience in the private and voluntary sectors;

(B) local elected officials;

(C) representatives of participating qualified organizations; and

(D) the general public; and

(2) include individuals and representatives of community organizations who shall help to enhance the leadership role of the local government in developing a local flexibility plan.

(d) OPPORTUNITY FOR REVIEW AND COMMENT BY COMMITTEE.—Before submitting an application for approval of a final proposed local flexibility plan, a local government shall submit the final proposed plan for review and comment by a community advisory committee established by the local government.

(e) COMMITTEE REVIEW OF REPORTS.—Before submitting annual or final reports on an approved Federal assistance plan, a local government or private nonprofit organization shall submit the report for review and comment to the community advisory committee.

SEC. 10. TECHNICAL AND OTHER ASSISTANCE.

(a) TECHNICAL ASSISTANCE.—(1) The Flexibility Council may provide, or direct that the head of a Federal agency provide, technical assistance to a local government or qualified organization in developing information necessary for the design or implementation of a local flexibility plan.

(2) Assistance may be provided under this subsection if a local government makes a request that includes, in accordance with requirements established by the Flexibility Council—

(A) a description of the local flexibility plan the local government proposes to develop;

(B) a description of the groups of individuals to whom benefits shall be provided under covered Federal assistance programs included in the plan; and

(C) such assurances as the Flexibility Council may require that—

(i) in the development of the application to be submitted under this title for approval of the plan, the local government shall provide adequate opportunities to participate to—

(I) individuals and families that shall receive benefits under covered Federal financial assistance programs included in the plan; and

(II) governmental agencies that administer those programs; and

(ii) the plan shall be developed after considering fully—

(I) needs expressed by those individuals and families;

(II) community priorities; and

(III) available governmental resources in the geographic area to which the plan shall apply.

(b) DETAILS TO COUNCIL.—At the request of the Flexibility Council and with the approval of an agency head who is a member of the Council, agency staff may be detailed to the Flexibility Council on a nonreimbursable basis.

SEC. 11. FLEXIBILITY COUNCIL.

(a) FUNCTIONS.—The Flexibility Council shall—

(1) receive, review, and approve or disapprove local flexibility plans for which approval is sought under this Act;

(2) upon request from an applicant for such approval, direct the head of an agency that administers a covered Federal financial assistance program under which substantial Federal financial assistance would be provided under the plan to provide technical assistance to the applicant;

(3) monitor the progress of development and implementation of local flexibility plans;

(4) perform such other functions as are assigned to the Flexibility Council by this Act; and

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

(b) REPORTS.—No less than 18 months after the date of the enactment of this Act, and annually thereafter, the Flexibility Council shall submit a report on the 5 Federal regulations that are most frequently waived by the Flexibility Council for local governments with approved local flexibility plans to the President and the Congress. The President shall review the report and determine whether to amend or terminate such Federal regulations.

SEC. 12. REPORT.

No later than 54 months after the date of the enactment of this Act, the Comptroller General of the United States shall submit to the Congress, a report that—

(1) describes the extent to which local governments have established and implemented approved local flexibility plans;

(2) evaluates the effectiveness of covered Federal assistance programs included in approved local flexibility plans; and

(3) includes recommendations with respect to local flexibility.

SEC. 13. CONDITIONAL TERMINATION.

This Act is repealed on the date that is 5 years after the date of the enactment of this Act unless extended by the Congress through the enactment of the resolution described under section 14.

SEC. 14. JOINT RESOLUTION FOR THE CONTINUATION AND EXPANSION OF LOCAL FLEXIBILITY PROGRAMS.

(a) DESCRIPTION OF RESOLUTION.—A resolution referred to under section 13 is a joint resolution the matter after the resolving clause is as follows: "That Congress approves the application of local flexibility plans to all local governments in the United States in accordance with the Local Empowerment and Flexibility Act of 1995, and that—

"(1) if the provisions of such Act have not been repealed under section 13 of such Act, such provisions shall remain in effect; and

"(2) if the repeal under section 13 of such Act has taken effect, the provisions of such Act shall be effective as though such provisions had not been repealed.".

(b) INTRODUCTION.—No later than 30 days after the transmittal by the Comptroller General of the United States to the Congress of the report required in section 12, a resolution as described under subsection (a) shall be introduced in the Senate by the chairman of the Committee on Governmental Affairs, or by a Member or Members of the Senate designated by such chairman, and shall be introduced in the House of Representatives by the Chairman of the Committee on Government Operations, or by a Member or Members of the House of Representatives designated by such chairman.

(c) REFERRAL.—A resolution as described under subsection (a) shall be referred to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives. The committee shall make its recommendations to the Senate or House of Representatives within 30 calendar days of the date of such resolution's introduction.

(d) DISCHARGE FROM COMMITTEE.—If the committee to which a resolution is referred has not reported such resolution at the end of 30 calendar days after its introduction, that committee shall be deemed to be discharged from further consideration of such resolution and such resolution shall be placed on the appropriate calendar of the House involved.

(e) VOTE ON FINAL PASSAGE.—When the committee has reported or has been deemed to be discharged from further consideration of a resolution described under subsection (a), it is at any time thereafter in order for any Member of the respective House to move to proceed to the consideration of the resolution.

(f) RULES OF THE SENATE AND HOUSE.—This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a resolution described in subsection (a), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as

relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

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E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D

09-Aug-1995 05:05pm

TO: Paul J. Weinstein, Jr

FROM: Brett Peiser
Office of Mgmt and Budget, LRD

CC: James J. Jukes

SUBJECT: S. 88 vs. H.R. 2086

The only substantive differences between H.R. 2086 (Shays) and S. 88 (Hatfield) are in sections 13 and 14.

Section 13 of the Shays bill repeals the Act "on the date that is 5 years after the date of the enactment of this Act" while Hatfield's bill provides for an extension by adding "unless extended by the Congress through the enactment of the resolution described under section 14."

In the Shays bill, there is no section 14. In the Hatfield bill, there is a section 14 which sets the provisions for a joint resolution for the continuation and expansion of the Act's local flexibility programs. Attached to this e-mail is the bill language of section 14.

Also, Education (Kristy) called to say that they are OK with the new draft revisions in the Hatfield letter.

SEC. 14. JOINT RESOLUTION FOR THE CONTINUATION AND EXPANSION OF LOCAL FLEXIBILITY PROGRAMS.

(a) DESCRIPTION OF RESOLUTION.--A resolution referred to under section 13 is a joint resolution the matter after the resolving clause is as follows: "That Congress approves the application of local flexibility plans to all local governments in the United States in accordance with the Local Empowerment and Flexibility Act of 1995, and that--

"(1) if the provisions of such Act have not been repealed under section 13 of such Act, such provisions shall remain in effect; and

"(2) if the repeal under section 13 of such Act has taken effect, the provisions of such Act shall be effective as though such provisions had not been repealed.".

(b) INTRODUCTION.--No later than 30 days after the transmittal by the Comptroller General of the United States to the Congress of the report required in section 12, a resolution as described under subsection (a) shall be introduced in the Senate by the chairman of the Committee on Governmental Affairs, or by a Member or Members of the Senate designated by such chairman, and shall be introduced in the House of Representatives by the Chairman of the Committee on Government Operations, or by a Member or Members of the House of Representatives designated by such chairman.

(c) REFERRAL.--A resolution as described under subsection (a) shall be referred to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives. The committee shall make its recommendations to the Senate or House of Representatives within 30 calendar days of the date of such resolution's introduction.

(d) DISCHARGE FROM COMMITTEE.--If the committee to which a resolution is referred has not reported such resolution at the end of 30 calendar days after its introduction, that committee shall be deemed to be discharged from further consideration of such resolution and such resolution shall be placed on the appropriate calendar of the House involved.

(e) VOTE ON FINAL PASSAGE.--When the committee has reported or has been deemed to be discharged from further consideration of a resolution described under subsection (a), it is at any time thereafter in order for any Member of the respective House to move to proceed to the consideration of the resolution.

(f) RULES OF THE SENATE AND HOUSE.--This section is enacted by Congress--

(1) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a resolution described in subsection (a), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

104TH CONGRESS
1ST SESSION

H. R. 2086

To increase the overall economy and efficiency of Government operations and enable more efficient use of Federal funding, by enabling local governments and private, nonprofit organizations to use amounts available under certain Federal assistance programs in accordance with approved local flexibility plans.

July 20, 1995

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

A BILL

To increase the overall economy and efficiency of Government operations and enable more efficient use of Federal funding, by enabling local governments and private, nonprofit organizations to use amounts available under certain Federal assistance programs in accordance with approved local flexibility plans.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Local Empowerment and Flexibility Act of 1995".

SEC. 2. FINDINGS.

The Congress finds that--

(1) historically, Federal programs have addressed the Nation's problems by providing categorical financial assistance with detailed requirements relating to the use of funds;

(2) while the assistance described in paragraph (1) has

been directed at critical problems, some program requirements may inadvertently impede the effective delivery of services;

(3) the Nation's local governments and private, nonprofit organizations are dealing with increasingly complex problems which require the delivery of many kinds of services;

(4) the Nation's communities are diverse, and different needs are present in different communities;

(5) it is more important than ever to provide programs that-

(A) promote more effective and efficient local delivery of services to meet the full range of needs of individuals, families, and society;

(B) respond flexibly to the diverse needs of the Nation's communities;

(C) reduce the barriers between programs that impede local governments' ability to effectively deliver services; and

(D) empower local governments and private, nonprofit organizations to be innovative in creating programs that meet the unique needs of their communities while continuing to address national policy goals; and

(6) many communities have innovative planning and community involvement strategies for providing services, but Federal, State, and local regulations often hamper full implementation of local plans.

SEC. 3. PURPOSES.

The purposes of this Act are to--

(1) enable more efficient use of Federal, State, and local resources;

(2) place less emphasis in Federal service programs on measuring resources and procedures and more emphasis on achieving Federal, State, and local policy goals;

(3) enable local governments and private, nonprofit organizations to adapt programs of Federal financial assistance to the particular needs of their communities, by--

(A) drawing upon appropriations available from more than one Federal program; and

(B) integrating programs and program funds across existing Federal financial assistance categories; and

(4) enable local governments and private, nonprofit organizations to work together and build stronger cooperative partnerships to address critical service problems.

SEC. 4. DEFINITIONS.

For purposes of this Act--

(1) the term "approved local flexibility plan" means a local flexibility plan that combines funds from Federal, State, local government or private sources to address the service needs of a community (or any part of such a plan) that is approved by the Flexibility Council under section 5;

(2) the term "community advisory committee" means such a committee established by a local government under section 9;

(3) the term "Flexibility Council" means the council composed of the--

(A) Assistant to the President for Domestic Policy;
(B) Assistant to the President for Economic Policy;
(C) Secretary of the Treasury;
(D) Attorney General;
(E) Secretary of the Interior;
(F) Secretary of Agriculture;
(G) Secretary of Commerce;
(H) Secretary of Labor;
(I) Secretary of Health and Human Services;
(J) Secretary of Housing and Urban Development;
(K) Secretary of Transportation;
(L) Secretary of Education;
(M) Secretary of Energy;
(N) Secretary of Veterans Affairs;
(O) Secretary of Defense;
(P) Director of Federal Emergency Management Agency;
(Q) Administrator of the Environmental Protection Agency;
(R) Director of National Drug Control Policy;
(S) Administrator of the Small Business Administration;
(T) Director of the Office of Management and Budget; and
(U) Chair of the Council of Economic Advisers.

(4) the term "covered Federal financial assistance program" means an eligible Federal financial assistance program that is included in a local flexibility plan of a local government;

(5) the term "eligible Federal financial assistance program"--

(A) means a Federal program under which financial assistance is available, directly or indirectly, to a local government or a qualified organization to carry out the specified program; and

(B) does not include a Federal program under which financial assistance is provided by the Federal Government directly to a beneficiary of that financial assistance or to a State as a direct payment to an individual;

(6) the term "eligible local government" meantion eligible for assistance under o receive financial assistance under 1 or more covered Federal programs;

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(7) the term "local flexibility plan" means a comprehensive plan for the integration and administration by a local government of financial assistance provided by the Federal Government under 2 or more eligible Federal financial assistance programs;

(8) the term "local government" means a subdivision of a State that is a unit of general local government (as defined under section 6501 of title 31, United States Code);

(9) the term "priority funding" means giving higher priority (including by the assignment of extra points, if applicable) to applications for Federal financial assistance submitted by a local government having an approved local flexibility program, by--

(A) a person located in the jurisdiction of such a government; or

(B) a qualified organization eligible for assistance under a covered Federal financial assistance program included in such a plan;

(10) the term "qualified organization" means a private, nonprofit organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of the Internal Revenue Code of 1986; and

(11) the term "State" means the 50 States, the District of Columbia, Puerto Rico, American Samoa, Guam, and the Virgin Islands.

SEC. 5. PROVISION OF FEDERAL FINANCIAL ASSISTANCE IN ACCORDANCE WITH APPROVED LOCAL FLEXIBILITY PLAN.

(a) PAYMENTS TO LOCAL GOVERNMENTS.--Notwithstanding any other provision of law, amounts available to a local government or a qualified organization under a covered Federal financial assistance program included in an approved local flexibility plan shall be provided to and used by the local government or organization in accordance with the approved local flexibility plan.

(b) ELIGIBILITY FOR BENEFITS.--An individual or family that is eligible for benefits or services under a covered Federal financial assistance program included in an approved local flexibility plan may receive those benefits only in accordance with the approved local flexibility plan.

SEC. 6. APPLICATION FOR APPROVAL OF LOCAL FLEXIBILITY PLAN.

(a) IN GENERAL.--A local government may submit to the Flexibility Council in accordance with this section an application for approval of a local flexibility plan.

(b) CONTENTS OF APPLICATION.--An application submitted under this section shall include--

(1)(A) a proposed local flexibility plan that complies with subsection (c); or

(B) a strategic plan submitted in application for designation as an enterprise community or an empowerment zone under section 1391 of the Internal Revenue Code of 1986;

(2) certification by the chief executive of the local government, and such additional assurances as may be required by the Flexibility Council, that--

(A) the local government has the ability and authority to implement the proposed plan, directly or through contractual or other arrangements, throughout the geographic area in which the proposed plan is intended to apply; and

(B) amounts are available from non-Federal sources to pay the non-Federal share of all covered Federal financial assistance programs included in the proposed plan; and

(3) any comments on the proposed plan submitted under subsection (d) by the Governor of the State in which the local government is located;

(4) public comments on the plan including the transcript of at least 1 public hearing and comments of the appropriate community advisory committee established under section 9; and

(5) other relevant information the Flexibility Council may require to approve the proposed plan.

(c) CONTENTS OF PLAN.--A local flexibility plan submitted by a local government under this section shall include--

(1) the geographic area to which the plan applies and the rationale for defining the area;

(2) the particular groups of individuals, by service needs, economic circumstances, or other defining factors, who shall receive services and benefits under the plan;

(3)(A) specific goals and measurable performance criteria, a description of how the plan is expected to attain those goals and criteria;

(B) a description of how performance shall be measured; and
(C) a system for the comprehensive evaluation of the impact of the plan on participants, the community, and program costs;
(4) the eligible Federal financial assistance programs to be included in the plan as covered Federal financial assistance programs and the specific benefits that shall be provided under the plan under such programs, including--
(A) criteria for determining eligibility for benefits under the plan;
(B) the services available;
(C) the amounts and form (such as cash, in-kind contributions, or financial instruments) of nonservice benefits; and
(D) any other descriptive information the Flexibility Council considers necessary to approve the plan;
(5) except for the requirements under section 8(b)(3), any Federal statutory or regulatory requirement applicable under a covered Federal financial assistance program included in the plan, the waiver of which is necessary to implement the plan;
(6) fiscal control and related accountability procedures applicable under the plan;
(7) a description of the sources of all non-Federal funds that are required to carry out covered Federal financial assistance programs included in the plan;
(8) written consent from each qualified organization for which consent is required under section 6(b)(2); and
(9) other relevant information the Flexibility Council may require to approve the plan.

(d) PROCEDURE FOR APPLYING.--(1) To apply for approval of a local flexibility plan, a local government shall submit an application in accordance with this section to the Governor of the State in which the local government is located.

(2) A Governor who receives an application from a local government under paragraph (1) may, by no later than 30 days after the date of that receipt--
(A) prepare comments on the proposed local flexibility plan included in the application;
(B) describe any State laws which are necessary to waive for successful implementation of a local plan; and
(C) submit the application and comments to the Flexibility Council.

(3) If a Governor fails to act within 30 days after receiving

an application under paragraph (2), the applicable local government may submit the application to the Flexibility Council.

SEC. 7. REVIEW AND APPROVAL OF LOCAL FLEXIBILITY PLANS.

(a) REVIEW OF APPLICATIONS.--Upon receipt of an application for approval of a local flexibility plan under this Act, the Flexibility Council shall--

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

(2) notify the applicant in writing of that approval or disapproval by not later than 15 days after the date of that approval or disapproval; and

(3) in the case of any disapproval of a plan, include a written justification of the reasons for disapproval in the notice of disapproval sent to the applicant.

(b) APPROVAL.--(1) The Flexibility Council may approve a local flexibility plan for which an application is submitted under this Act, or any part of such a plan, if a majority of members of the Council determines that--

(A) the plan or part shall improve the effectiveness and efficiency of providing benefits under covered Federal programs included in the plan by reducing administrative inflexibility, duplication, and unnecessary expenditures;

(B) the applicant local government has adequately considered, and the plan or part of the plan appropriately addresses, any effect that administration of each covered Federal program under the plan or part of the plan shall have on administration of the other covered Federal programs under that plan or part of the plan;

(C) the applicant local government has or is developing data bases, planning, and evaluation processes that are adequate for implementing the plan or part of the plan;

(D) the plan shall more effectively achieve Federal financial assistance goals at the local level and shall better meet the needs of local citizens;

(E) implementation of the plan or part of the plan shall adequately achieve the purposes of this Act and of each covered Federal financial assistance program under the plan or part of the plan;

(F) the plan and the application for approval of the plan comply with the requirements of this Act;

(G) the plan or part of the plan is adequate to ensure that individuals and families that receive benefits under covered

Federal financial assistance programs included in the plan or part shall continue to receive benefits that meet the needs intended to be met under the program; and

(H) the local government has--

(i) waived the corresponding local laws necessary for implementation of the plan; and

(ii) sought any necessary waivers from the State.

(2) The Flexibility Council may not approve any part of a local flexibility plan if--

(A) implementation of that part would result in any increase in the total amount of obligations or outlays of discretionary appropriations or direct spending under covered Federal financial assistance programs included in that part, over the amounts of such obligations and outlays that would occur under those programs without implementation of the part; or

(B) in the case of a plan or part that applies to assistance to a qualified organization under an eligible Federal financial assistance program, the qualified organization does not consent in writing to the receipt of that assistance in accordance with the plan.

(3) The Flexibility Council shall disapprove a part of a local flexibility plan if a majority of the Council disapproves that part of the plan based on a failure of the part to comply with paragraph (1).

(4) In approving any part of a local flexibility plan, the Flexibility Council shall specify the period during which the part is effective. An approved local flexibility plan shall not be effective after the date of the termination of effectiveness of this Act under section 13.

(5) Disapproval by the Flexibility Council of any part of a local flexibility plan submitted by a local government under this Act shall not affect the eligibility of a local government, a qualified organization, or any individual for benefits under any Federal program.

(c) MEMORANDA OF UNDERSTANDING.--(1) The Flexibility Council may not approve a part of a local flexibility plan unless each local government and each qualified organization that would receive financial assistance under the plan enters into a memorandum of understanding under this subsection with the Flexibility Council.

(2) A memorandum of understanding under this subsection shall specify all understandings that have been reached by the Flexibility Council, the local government, and each qualified organization that is subject to a local flexibility plan, regarding the approval and implementation of all parts of a local flexibility plan that are the subject of the memorandum, including understandings with respect to--

(A) all requirements under covered Federal financial assistance programs that are to be waived by the Flexibility Council under section 8(b);

(B)(i) the total amount of Federal funds that shall be provided as benefits under or used to administer covered Federal financial assistance programs included in those parts; or

(ii) a mechanism for determining that amount, including specification of the total amount of Federal funds that shall be provided or used under each covered Federal financial assistance program included in those parts;

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

(D) measurable performance criteria that shall be used during the term of those parts to determine the extent to which the goals and performance levels of the parts are achieved; and

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

(d) LIMITATION ON CONFIDENTIALITY REQUIREMENTS.--The Flexibility Council may not, as a condition of approval of any part of a local flexibility plan or with respect to the implementation of any part of an approved local flexibility plan, establish any confidentiality requirement that would--

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

(2) conflict with law.

SEC. 8. IMPLEMENTATION OF APPROVED LOCAL FLEXIBILITY PLANS; WAIVER OF REQUIREMENTS.

(a) PAYMENTS AND ADMINISTRATION IN ACCORDANCE WITH PLAN.--Notwithstanding any other law, any benefit that is provided under a covered Federal financial assistance program included in an approved local flexibility plan shall be paid and administered in the manner specified in the approved local flexibility plan.

(b) WAIVER OF REQUIREMENTS.--(1) Notwithstanding any other law and subject to paragraphs (2) and (3), the Flexibility Council may waive any requirement applicable under Federal law to the administration of, or provision of benefits under, any covered Federal assistance program included in an approved local flexibility plan, if that waiver is--

(A) reasonably necessary for the implementation of the plan; and

(B) approved by a majority of members of the Flexibility Council.

(2) The Flexibility Council may not waive a requirement under this subsection unless the Council finds that waiver of the requirement shall not result in a qualitative reduction in services or benefits for any individual or family that is eligible for benefits under a covered Federal financial assistance program.

(3) The Flexibility Council may not waive any requirement under this subsection--

(A) that enforces any constitutional or statutory right of an individual, ~~assistance~~. including any right under--

~~(d) EVALUATION AND TERMINATION.--~~ (i) title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.);

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

(iii) title IX of the Education Amendments of 1972 (86 Stat. 373 et seq.);

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

(v) the Americans with Disabilities Act of 1990;

(B) for payment of a non-Federal share of funding of an activity under a covered Federal financial assistance program; or

(C) for grants received on a maintenance of effort basis.

(c) SPECIAL ASSISTANCE.--To the extent permitted by law, the head of each Federal agency shall seek to provide special assistance to a local government or qualified organization to support implementation of an approved local flexibility plan, including expedited processing, priority funding, and technical assistance.

(d) EVALUATION AND TERMINATION.--(1) A local government, in accordance with regulations issued by the Flexibility Council, shall-

(A) submit such reports on and cooperate in such audits of the implementation of its approved local flexibility plan; and

(B) periodically evaluate the effect implementation of the plan has had on--

(i) individuals who receive benefits under the plan;

(ii) communities in which those individuals live; and

(iii) costs of administering covered Federal financial assistance programs included in the plan.

(2) No later than 90 days after the end of the 1-year period beginning on the date of the approval by the Flexibility Council of an approved local flexibility plan of a local government, and annually thereafter, the local government shall submit to the Flexibility Council a report on the principal activities and achievements under the plan during the period covered by the report, comparing those achievements to the goals and performance criteria included in the plan under section 6(c)(3).

(3)(A) The Flexibility Council may terminate the effectiveness of an approved local flexibility plan, if the Flexibility Council, after consultation with the head of each Federal agency responsible for administering a covered Federal financial assistance program included in such, determines--

(i) that the goals and performance criteria included in the plan under section 6(c)(3) have not been met; and

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

(B) In terminating the effectivenes such period as may be appropriate, based on the report oaph, the Flexibility Council shall allow a reasonable period of time for appropriate Federal, State, and local agencies and qualified organizations to resume administration of Federal programs that are covered Federal financial assistance programs included in the plan.

(e) FINAL REPORT; EXTENSION OF PLANS.--(1) No later than 45 days after the end of the effective period of an approved local flexibility plan of a local government, or at any time that the local government determines that the plan has demonstrated its worth, the local government shall submit to the Flexibility Council a final report on its implementation of the plan, including a full evaluation of the successes and shortcomings of the plan and the effects of that implementation on individuals who receive benefits under those programs.

(2) The Flexibility Council may extend the effective period of an approved local flexibility plan for such period as may be

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

SEC. 9. COMMUNITY ADVISORY COMMITTEES.

(a) ESTABLISHMENT.--A local government that applies for approval of a local flexibility plan under this Act shall establish a community advisory committee in accordance with this section.

(b) FUNCTIONS.--A community advisory committee shall advise a local government in the development and implementation of its local flexibility plan, including advice with respect to--

(1) conducting public hearings; and

(2) reviewing and commenting on all community policies, programs, and actions under the plan which affect low income individuals and families, with the purpose of ensuring maximum coordination and responsiveness of the plan in providing benefits under the plan to those individuals and families.

(c) MEMBERSHIP.--The membership of a community advisory committee shall--

(1) consist of--

(A) persons with leadership experience in the private and voluntary sectors;

(B) local elected officials;

(C) representatives of participating qualified organizations; and

(D) the general public; and

(2) include individuals and representatives of community organizations who shall help to enhance the leadership role of the local government in developing a local flexibility plan.

(d) OPPORTUNITY FOR REVIEW AND COMMENT BY COMMITTEE.--Before submitting an application for approval of a final proposed local flexibility plan, a local government shall submit the final proposed plan for review and comment by a community advisory committee established by the local government.

(e) COMMITTEE REVIEW OF REPORTS.--Before submitting annual or final reports on an approved Federal assistance plan, a local government or private nonprofitorganization shall submit the report for review and comment to the community advisory committee.

SEC. 10. TECHNICAL AND OTHER ASSISTANCE.

(a) TECHNICAL ASSISTANCE.--(1) The Flexibility Council may provide, or direct that the head of a Federal agency provide, technical assistance to a local government or qualified organization in developing information necessary for the design or implementation of a local flexibility plan.

(2) Assistance may be provided under this subsection if a local government makes a request that includes, in accordance with requirements established by the Flexibility Council--

(A) a description of the local flexibility plan the local government proposes to develop;

(B) a description of the groups of individuals to whom benefits shall be provided under covered Federal assistance programs included in the plan; and

(C) such assurances as the Flexibility Council may require that--

(i) in the development of the application to be submitted under this title for approval of the plan, the local government shall provide adequate opportunities to participate to--

(I) individuals and families that shall receive benefits under covered Federal financial assistance programs included in the plan; and

(II) governmental agencies that administer those programs; and

(ii) the plan shall be developed after considering fully--

(I) needs expressed by those individuals and families;

(II) community priorities; and

(III) available governmental resources in the geographic area to which the plan shall apply.

(b) DETAILS TO COUNCIL.--At the request of the Flexibility Council and with the approval of an agency head who is a member of the Council, agency staff may be detailed to the Flexibility Council on a nonreimbursable basis.

SEC. 11. FLEXIBILITY COUNCIL.

(a) FUNCTIONS.--The Flexibility Council shall--

(1) receive, review, and approve or disapprove local flexibility plans for which approval is sought under this Act;

(2) upon request from an applicant for such approval, direct the head of an agency that administers a covered Federal

financial assistance program under which substantial Federal financial assistance would be provided under the plan to provide technical assistance to the applicant;

(3) monitor the progress of development and implementation of local flexibility plans;

(4) perform such other functions as are assigned to the Flexibility Council by this Act; and

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

(b) REPORTS.--No less than 18 months after the date of the enactment of this Act, and annually thereafter, the Flexibility Council shall submit a report on the 5 Federal regulations that are most frequently waived by the Flexibility Council for local governments with approved local flexibility plans to the President and the Congress. The President shall review the report and determine whether to amend or terminate such Federal regulations.

SEC. 12. REPORT.

No later than 54 months after the date of the enactment of this Act, the Comptroller General of the United States shall submit to the Congress, a report that--

(1) describes the extent to which local governments have established and implemented approved local flexibility plans;

(2) evaluates the effectiveness of covered Federal assistance programs included in approved local flexibility plans; and

(3) includes recommendations with respect to local flexibility.

SEC. 13. ~~REPEAL.~~ CONDITIONAL TERMINATION

This Act is repealed on the date that is 5 years after the date of the enactment of this Act, unless extended by the Congress through the enactment of the resolution described under section 14.

Sec. 14 JOINT RESOLUTION FOR THE CONTINUATION AND EXPANSION OF LOCAL FLEXIBILITY PROGRAMS

(a) :

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(f) :