

107TH CONGRESS  
1ST SESSION

# H. R. 2400

To provide job creation and assistance, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 28, 2001

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

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## A BILL

To provide job creation and assistance, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rural America Job  
5 Assistance and Creation Act”.

6 **SEC. 2. GRANTS FOR REGIONAL SKILLS ALLIANCE SKILL**

7 **DEVELOPMENT.**

8 (a) **AUTHORIZATION.—**

1           (1) IN GENERAL.—The Secretary of Labor, in  
2           consultation with the Secretary of Commerce, shall  
3           award grants to eligible entities described in sub-  
4           section (b) to assist such entities to improve the job  
5           skills necessary for employment in specific indus-  
6           tries.

7           (2) ELIGIBLE ENTITIES DESCRIBED.—

8           (A) IN GENERAL.—An eligible entity de-  
9           scribed in this subsection is a consortium  
10          that—

11                   (i) shall consist of representatives  
12                   from not less than 5 businesses, or a lesser  
13                   number of businesses if such lesser number  
14                   of businesses employs at least 30 percent  
15                   of the employees in the industry involved  
16                   in the region (or a nonprofit organization  
17                   that represents such businesses);

18                   (ii) may consist of representatives  
19                   from—

20                           (I) labor organizations;

21                           (II) State and local government;

22                           and

23                           (III) educational institutions;

24                   (iii) is established to serve one or  
25                   more particular industries; and

1 (iv) is established to serve a particular  
2 geographic region.

3 (B) MAJORITY OF REPRESENTATIVES.—A  
4 majority of the representatives comprising the  
5 consortium shall be representatives described in  
6 subparagraph (A)(i).

7 (3) PRIORITY FOR SMALL BUSINESSES.—In  
8 providing grants under paragraph (1), the Secretary  
9 of Labor shall give priority to an eligible entity if a  
10 majority of representatives forming the entity rep-  
11 resent small-business concerns (as defined in section  
12 3(a) of the Small Business Act (15 U.S.C. 632(a))).

13 (4) MAXIMUM AMOUNT OF GRANT.—The  
14 amount of a grant awarded to an eligible entity  
15 under paragraph (1) may not exceed \$1,000,000 for  
16 any fiscal year.

17 (b) USE OF AMOUNTS.—

18 (1) IN GENERAL.—The Secretary of Labor may  
19 not award a grant under subsection (a) to an eligible  
20 entity unless such entity agrees to use amounts re-  
21 ceived from such grant to improve the job skills nec-  
22 essary for employment by businesses in the industry  
23 with respect to which such entity was established.

24 (2) CONDUCT OF PROGRAM.—

1 (A) IN GENERAL.—In carrying out the  
2 program described in paragraph (1), the eligible  
3 entity may provide for—

4 (i) an assessment of training and job  
5 skill needs for the industry;

6 (ii) the development of a sequence of  
7 skill standards that are benchmarked to  
8 advanced industry practices;

9 (iii) the development of curriculum  
10 and training methods, including, where ap-  
11 propriate, e-learning or technology-based  
12 training;

13 (iv) the purchase, lease, or receipt of  
14 donations of training equipment;

15 (v) the identification of training pro-  
16 viders and the development of partnerships  
17 between the industry and educational insti-  
18 tutions, including community colleges;

19 (vi) the development of apprenticeship  
20 programs;

21 (vii) the development of training pro-  
22 grams for workers, including dislocated  
23 workers;

24 (viii) the development of training  
25 plans for businesses; and

1 (ix) the development of the member-  
2 ship of the entity.

3 (B) ADDITIONAL REQUIREMENT.—In car-  
4 rying out the program described in paragraph  
5 (1), the eligible entity shall provide for the de-  
6 velopment and tracking of performance outcome  
7 measures for the program and the training pro-  
8 viders involved in the program.

9 (3) ADMINISTRATIVE COSTS.—The eligible enti-  
10 ty may use not more than 10 percent of the amount  
11 of a grant to pay for administrative costs associated  
12 with the program described in paragraph (1).

13 (c) REQUIREMENT OF MATCHING FUNDS.—

14 (1) IN GENERAL.—The Secretary of Labor may  
15 not award a grant under subsection (a) to an eligible  
16 entity unless such entity agrees that the entity will  
17 make available non-Federal contributions toward the  
18 costs of carrying out activities under the grant in an  
19 amount that is not less than \$2 for each \$1 of Fed-  
20 eral funds provided under the grant, of which—

21 (A) \$1 shall be provided by the businesses  
22 participating in the entity; and

23 (B) \$1 shall be provided by the State or  
24 local government involved.

25 (2) OTHER CONTRIBUTIONS.—

1 (A) EQUIPMENT.—Equipment donations to  
2 facilities that are not owned or operated by the  
3 members of the eligible entity involved and that  
4 are shared by such members may be included in  
5 determining compliance with paragraph (1).

6 (B) LIMITATION.—An eligible entity may  
7 not include in-kind contributions in complying  
8 with the requirement of paragraph (1). The  
9 Secretary of Labor may consider such dona-  
10 tions in ranking applications.

11 (d) LIMIT ON ADMINISTRATIVE EXPENSES.—The  
12 Secretary of Labor may use not more than 5 percent of  
13 the amounts made available to carry out this section to  
14 pay the Federal administrative costs associated with  
15 awarding grants under this section.

16 (e) AUTHORIZATION OF APPROPRIATIONS.—There  
17 are authorized to be appropriated to carry out this section  
18 \$50,000,000 for each of fiscal years 2002, 2003, and  
19 2004, and such sums as are necessary for each fiscal year  
20 thereafter.

21 **SEC. 3. GRANTS FOR REGIONAL SKILLS ALLIANCE PLAN-**  
22 **NING.**

23 (a) AUTHORIZATION.—

24 (1) IN GENERAL.—The Secretary of Labor, in  
25 consultation with the Secretary of Commerce, shall

1       award grants to States to enable such States to as-  
2       sist businesses, organizations, and agencies de-  
3       scribed in section 2(a)(2) in conducting planning to  
4       form consortia described in such section.

5           (2) MAXIMUM AMOUNT OF GRANT.—The  
6       amount of a grant awarded to a State under para-  
7       graph (1) may not exceed \$500,000 for any fiscal  
8       year.

9           (b) APPLICATION.—The Secretary of Labor may not  
10      award a grant under subsection (a) to a State unless such  
11      State submits to the Secretary an application at such  
12      time, in such manner, and containing such information as  
13      the Secretary may reasonably require.

14          (c) REQUIREMENT OF MATCHING FUNDS.—The Sec-  
15      retary of Labor may not award a grant under subsection  
16      (a) to a State unless such State agrees that it will make  
17      available non-Federal contributions toward the costs of  
18      carrying out activities under this section in an amount  
19      that is not less than \$1 for each \$1 of Federal funds pro-  
20      vided under the grant.

21          (d) AUTHORIZATION OF APPROPRIATIONS.—There  
22      are authorized to be appropriated to carry out this section  
23      \$5,000,000 for fiscal year 2002.

1 **SEC. 4. GRANTS FOR SUPPORT OF BUSINESS INCUBATOR**  
2 **ACTIVITIES.**

3 (a) **PURPOSE.**—It is the purpose of this section to  
4 encourage entrepreneurial creativity and risk taking  
5 through the support of the furnishing of business incu-  
6 bator services for newly established small businesses and  
7 medium-sized businesses.

8 (b) **GRANT PROGRAM.**—To achieve the purpose of  
9 this section, the Secretary of Commerce shall carry out  
10 a program to provide, through grants, financial assistance  
11 for the establishment and support of entities that provide  
12 business incubator services in support of the initiation and  
13 initial sustainment of business activities by newly estab-  
14 lished small businesses and medium-sized businesses.

15 (c) **AWARDS OF GRANTS.**—

16 (1) **ELIGIBILITY REQUIREMENTS.**—The Sec-  
17 retary shall prescribe the eligibility requirements for  
18 the awarding of grants under this section.

19 (2) **COMPETITIVE SELECTION.**—The Secretary  
20 shall use a competitive process for the awarding of  
21 grants under this section and, under that process,  
22 select recipients of the grants on the basis of merit,  
23 with priority given to underserved rural and urban  
24 communities.

1           (3) APPLICATIONS FOR GRANTS.—The Sec-  
2           retary shall prescribe the form and content of appli-  
3           cations required for grants under this section.

4           (d) ADDITIONAL ADMINISTRATIVE AUTHORITIES.—

5           (1) COST-SHARING.—The Secretary may re-  
6           quire the recipient of a grant under this section to  
7           defray a specific level of its operating expenses for  
8           business incubator services out of funds available  
9           from sources other than the Federal Government.

10          (2) ADDITIONAL TERMS AND CONDITIONS.—

11          The Secretary, in awarding a grant, may impose any  
12          other terms and conditions for the use of the pro-  
13          ceeds of the grant that the Secretary determines ap-  
14          propriate for carrying out the purpose of this section  
15          and to protect the interests of the United States, in-  
16          cluding the requirement that entities providing busi-  
17          ness incubator services that receive a grant under  
18          this section develop a plan for ultimately becoming  
19          self-sufficient.

20          (e) DEFINITIONS.—In this section:

21          (1) BUSINESS INCUBATOR SERVICES.—The  
22          term “business incubator services” includes profes-  
23          sional and technical services necessary for the initi-  
24          ation and initial sustainment of operations of a

1 newly established business, including such services  
2 as the following:

3 (A) LEGAL SERVICES.—Legal services, in-  
4 cluding aid in preparing corporate charters,  
5 partnership agreements, and basic contracts.

6 (B) INTELLECTUAL PROPERTY SERV-  
7 ICES.—Services in support of the protection of  
8 intellectual property through patents, trade-  
9 marks, or otherwise.

10 (C) TECHNOLOGY SERVICES.—Services in  
11 support of the acquisition and use of advanced  
12 technology, including the use of Internet serv-  
13 ices and web-based services.

14 (D) PLANNING.—Advice on—

15 (i) strategic planning; and

16 (ii) marketing, including advertising.

17 (2) SMALL BUSINESS AND MEDIUM-SIZED BUSI-  
18 NESS.—

19 (A) SECRETARY TO PRESCRIBE.—The Sec-  
20 retary shall prescribe the definitions of the  
21 terms “small business” and “medium-sized  
22 business” for the purpose of this section.

23 (B) SMALL BUSINESS STANDARDS.—In de-  
24 fining the term “small business” for the pur-  
25 pose of this section, the Secretary shall apply

1 the standards applicable for the definition of  
2 the term “small-business concern” under sec-  
3 tion 3 of the Small Business Act (15 U.S.C.  
4 632).

5 (3) SECRETARY.—The term “Secretary” means  
6 the Secretary of Commerce.

7 (f) REGULATIONS.—The Secretary shall prescribe  
8 regulations for the grant program administered under this  
9 section.

10 (g) AUTHORIZATION OF APPROPRIATIONS.—There  
11 are authorized to be appropriated for the Department of  
12 Commerce to carry out this section \$50,000,000 for fiscal  
13 year 2002, and \$200,000,000 for each fiscal year there-  
14 after.

15 **SEC. 5. STUDY OF RURAL INFRASTRUCTURE AND CAPITAL**  
16 **NEEDS.**

17 (a) STUDY.—The Comptroller General of the United  
18 States shall conduct a study of the infrastructure of, the  
19 venture capital available for investment in, and the pro-  
20 grams of the Federal Government that are designed to as-  
21 sist the rural areas of the United States, and shall evalu-  
22 ate how the infrastructure, venture capital, and programs  
23 could be better used to enhance the rural areas, including  
24 through a focus on expanding economic development and

1 small business loan and grant programs to include  
2 projects related to tourism and agriculture.

3 (b) REPORT TO CONGRESS.—Not later than 6  
4 months after the date of enactment of this Act, the Comp-  
5 troller General shall prepare and submit a written report  
6 that contains the results of the evaluation required by sub-  
7 section (a) to the following committees of the Congress:

8 (1) The Committee on Agriculture of the House  
9 of Representatives.

10 (2) The Committee on Agriculture, Nutrition,  
11 and Forestry of the Senate.

12 (3) The Committee on Energy and Commerce  
13 of the House of Representatives.

14 (4) The Committee on Commerce, Science, and  
15 Transportation of the Senate.

16 (5) The Committees on Small Business of the  
17 House of Representatives and the Senate.

18 **SEC. 6. NOTIFICATION OF FEDERAL AND STATE ELECTED**  
19 **OFFICIALS PRIOR TO DISLOCATION OF**  
20 **WORKERS.**

21 Section 3(a)(2) of the Worker Adjustment and Re-  
22 training Notification Act (29 U.S.C. 2102(a)(2)) is  
23 amended by inserting “Federal, State, and” after “the  
24 unit of”.

1 **SEC. 7. SUBMISSION OF H-1B LABOR CONDITION APPLICA-**  
2 **TION AT SAME TIME AS CLASSIFICATION PE-**  
3 **TITION.**

4 Section 212(n)(1) of the Immigration and Nationality  
5 Act (8 U.S.C. 1182(n)(1)) is amended by adding at the  
6 end the following: “The application under this paragraph  
7 shall be submitted by an employer at the same time as  
8 the classification petition is filed under section 214 relat-  
9 ing to the H–1B nonimmigrants who are the subject of  
10 the application.”.

11 **SEC. 8. EXCLUSION FROM INCOME OF SEVERANCE PAY-**  
12 **MENT AMOUNTS.**

13 (a) IN GENERAL.—Part III of subchapter B of chap-  
14 ter 1 of the Internal Revenue Code of 1986 (relating to  
15 items specifically excluded from gross income) is amended  
16 by redesignating section 139 as section 140 and by insert-  
17 ing after section 138 the following new section:

18 **“SEC. 139. SEVERANCE PAYMENTS.**

19 “(a) IN GENERAL.—In the case of an individual,  
20 gross income shall not include any qualified severance pay-  
21 ment.

22 “(b) LIMITATION.—The amount to which the exclu-  
23 sion under subsection (a) applies shall not exceed \$25,000  
24 with respect to each separation from employment de-  
25 scribed in subsection (c)(1)(B).

1       “(c) QUALIFIED SEVERANCE PAYMENT.—For pur-  
2 poses of this section—

3               “(1) IN GENERAL.—The term ‘qualified sever-  
4 ance payment’ means any payment received by an  
5 individual if—

6                       “(A) such payment was paid by such indi-  
7 vidual’s employer on account of such individ-  
8 ual’s separation from employment, and

9                       “(B) such separation was in connection  
10 with a reduction in the work force of the em-  
11 ployer.

12               “(2) LIMITATION.—Such term shall not include  
13 any payment received by an individual if the aggre-  
14 gate payments received with respect to the separa-  
15 tion from employment exceed \$150,000.”.

16       (b) CLERICAL AMENDMENT.—The table of sections  
17 for part III of subchapter B of chapter 1 of such Code  
18 is amended by striking the item relating to section 139  
19 and inserting the following new items:

      “Sec. 139. Severance payments.

      “Sec. 140. Cross references to other Acts.”.

20       (c) EFFECTIVE DATE.—The amendments made by  
21 this section shall apply to taxable years beginning after  
22 December 31, 2000.

1 **SEC. 9. EXPANSION OF WORK OPPORTUNITY TAX CREDIT.**

2 (a) IN GENERAL.—Section 51(d)(1) of the Internal  
3 Revenue Code of 1986 (relating to members of targeted  
4 groups) is amended by striking “or” at the end of sub-  
5 paragraph (G), by striking the period at the end of sub-  
6 paragraph (H) and inserting “, or”, and by adding at the  
7 end the following:

8 “(I) a qualified small business employee.”.

9 (b) QUALIFIED SMALL BUSINESS EMPLOYEE.—Sec-  
10 tion 51(d) of the Internal Revenue Code of 1986 is amend-  
11 ed by redesignating paragraphs (10) through (12) as para-  
12 graphs (11) through (13), respectively, and by inserting  
13 after paragraph (9) the following:

14 “(10) QUALIFIED SMALL BUSINESS EM-  
15 PLOYEE.—

16 “(A) IN GENERAL.—The term ‘qualified  
17 small business employee’ means any  
18 individual—

19 “(i) hired by a qualified small busi-  
20 ness located in a development zone, or

21 “(ii) hired by a qualified small busi-  
22 ness and who is certified by the designated  
23 local agency as residing in such a develop-  
24 ment zone.

25 “(B) QUALIFIED SMALL BUSINESS.—The  
26 term ‘qualified small business’ has the meaning

1 given the term ‘small employer’ by section  
2 4980D(d)(2).

3 “(C) DEVELOPMENT ZONE.—For purposes  
4 of this section—

5 “(i) IN GENERAL.—The term ‘devel-  
6 opment zone’ means any area—

7 “(I) which is nominated under  
8 the procedures defined in sections  
9 1400E(a)(1)(A) and 1400E(a)(4) for  
10 renewal communities;

11 “(II) which the Secretary of  
12 Housing and Urban Development des-  
13 ignates as a development zone, after  
14 consultation with the Secretary of  
15 Commerce;

16 “(III) which has a population of  
17 not less than 5,000 and not more  
18 than 150,000;

19 “(IV) which has a poverty rate  
20 not less than 20 percent (within the  
21 meaning of section 1400E(c)(3)(C));

22 “(V) which has an average an-  
23 nual rate of job growth of less than 2  
24 percent during any 3 years of the pre-  
25 ceding 5-year period; and

1                   “(VI) which, during the period  
2                   beginning January 1, 1990 and end-  
3                   ing with the date of the enactment of  
4                   this section, has a net out-migration  
5                   of inhabitants, or other population  
6                   loss, from the area of at least 2 per-  
7                   cent of the population of the area dur-  
8                   ing such period.

9                   “(ii) NUMBER OF DESIGNATIONS.—  
10                  The Secretary of Housing and Urban De-  
11                  velopment may not designate more than  
12                  100 development zones.

13                  “(D) SPECIAL RULES FOR DETERMINING  
14                  AMOUNT OF CREDIT.—For purposes of applying  
15                  this subpart to wages paid or incurred to any  
16                  qualified small business employee—

17                         “(i) subsection (a) shall be applied by  
18                         substituting ‘20 percent of the qualified  
19                         first, second, third, fourth, or fifth year  
20                         wages’ for ‘40 percent of the qualified first  
21                         year wages’, and

22                         “(ii) in lieu of paragraphs (2) and (3)  
23                         of subsection (b), the following definitions  
24                         and special rule shall apply:

1                   “(I) QUALIFIED FIRST-YEAR  
2 WAGES.—The term ‘qualified first-  
3 year wages’ means, with respect to  
4 any individual, qualified wages attrib-  
5 utable to service rendered during the  
6 1-year period beginning with the day  
7 the individual begins work for the em-  
8 ployer.

9                   “(II) QUALIFIED SECOND-YEAR  
10 WAGES.—The term ‘qualified second-  
11 year wages’ means, with respect to  
12 any individual, qualified wages attrib-  
13 utable to service rendered during the  
14 1-year period beginning on the day  
15 after the last day of the 1-year period  
16 with respect to such individual deter-  
17 mined under subclause (I).

18                   “(III) QUALIFIED THIRD-YEAR  
19 WAGES.—The term ‘qualified third-  
20 year wages’ means, with respect to  
21 any individual, qualified wages attrib-  
22 utable to service rendered during the  
23 1-year period beginning on the day  
24 after the last day of the 1-year period

1 with respect to such individual deter-  
2 mined under subclause (II).

3 “(IV) QUALIFIED FOURTH-YEAR  
4 WAGES.—The term ‘qualified fourth-  
5 year wages’ means, with respect to  
6 any individual, qualified wages attrib-  
7 utable to service rendered during the  
8 1-year period beginning on the day  
9 after the last day of the 1-year period  
10 with respect to such individual deter-  
11 mined under subclause (III).

12 “(V) QUALIFIED FIFTH-YEAR  
13 WAGES.—The term ‘qualified fifth-  
14 year wages’ means, with respect to  
15 any individual, qualified wages attrib-  
16 utable to service rendered during the  
17 1-year period beginning on the day  
18 after the last day of the 1-year period  
19 with respect to such individual deter-  
20 mined under subclause (IV).

21 “(VI) ONLY FIRST \$15,000 OF  
22 WAGES PER YEAR TAKEN INTO AC-  
23 COUNT.—The amount of the qualified  
24 first, second, third, fourth, and fifth  
25 year wages which may be taken into

1 account with respect to any individual  
2 shall not exceed \$15,000 per year.”.

3 (c) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to individuals who begin work for  
5 the employer after the date of enactment of this Act.

6 **SEC. 10. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.**

7 The Consolidated Farm and Rural Development Act  
8 (7 U.S.C. 1921 et seq.) is amended by adding at the end  
9 the following:

10 **“SEC. 381P. NATIONAL RURAL DEVELOPMENT PARTNER-**  
11 **SHIP.**

12 “(a) DEFINITIONS.—In this section:

13 “(1) AGENCY WITH RURAL RESPONSIBIL-  
14 ITIES.—The term ‘agency with rural responsibilities’  
15 means any executive agency (as defined in section  
16 105 of title 5, United States Code) that—

17 “(A) implements Federal law targeted at  
18 rural areas, including—

19 “(i) the Act of April 24, 1950 (com-  
20 monly known as the Granger-Thye Act)  
21 (64 Stat. 82, chapter 9);

22 “(ii) the Intergovernmental Coopera-  
23 tion Act of 1968 (82 Stat. 1098);

24 “(iii) section 41742 of title 49, United  
25 States Code;

1 “(iv) the Rural Development Act of  
2 1972 (86 Stat. 657);

3 “(v) the Rural Development Policy  
4 Act of 1980 (94 Stat. 1171);

5 “(vi) the Rural Electrification Act of  
6 1936 (2 U.S.C. 901 et seq.);

7 “(vii) amendments made to section  
8 334 of the Public Health Service Act (42  
9 U.S.C. 254g) by the Rural Health Clinics  
10 Act of 1983 (97 Stat. 1345); and

11 “(viii) the Rural Housing Amend-  
12 ments of 1983 (97 Stat. 1240) and the  
13 amendments made by the Rural Housing  
14 Amendments of 1983 to title V of the  
15 Housing Act of 1949 (42 U.S.C. 1471 et  
16 seq.); or

17 “(B) administers programs that have a  
18 significant impact on rural areas, including—

19 “(i) the Appalachian Regional Com-  
20 mission;

21 “(ii) the Department of Agriculture;

22 “(iii) the Department of Commerce;

23 “(iv) the Department of Defense;

24 “(v) the Department of Education;

25 “(vi) the Department of Energy;

1                   “(vii) the Department of Health and  
2                   Human Services;

3                   “(viii) the Department of Housing  
4                   and Urban Development;

5                   “(ix) the Department of the Interior;

6                   “(x) the Department of Justice;

7                   “(xi) the Department of Labor;

8                   “(xii) the Department of Transpor-  
9                   tation;

10                  “(xiii) the Department of the Treas-  
11                  ury;

12                  “(xiv) the Department of Veterans Af-  
13                  fairs;

14                  “(xv) the Environmental Protection  
15                  Agency;

16                  “(xvi) the Federal Emergency Man-  
17                  agement Administration;

18                  “(xvii) the Small Business Adminis-  
19                  tration;

20                  “(xviii) the Social Security Adminis-  
21                  tration;

22                  “(xix) the Federal Reserve System;

23                  “(xx) the United States Postal Serv-  
24                  ice;

1                   “(xxi) the Corporation for National  
2                   Service;

3                   “(xxii) the National Endowment for  
4                   the Arts and the National Endowment for  
5                   the Humanities; and

6                   “(xxiii) other agencies, commissions,  
7                   and corporations.

8                   “(2) COUNCIL.—The term ‘Council’ means the  
9                   National Rural Development Council established by  
10                  subsection (c).

11                  “(3) PARTNERSHIP.—The term ‘Partnership’  
12                  means the National Rural Development Partnership  
13                  established by subsection (b).

14                  “(4) RURAL AREA.—The term ‘rural area’  
15                  means—

16                         “(A) all the territory of a State that is not  
17                         within the boundary of any standard metropoli-  
18                         tan statistical area, as designated by the Direc-  
19                         tor of the Office of Management and Budget;

20                         “(B) all territory within any standard met-  
21                         ropolitan statistical area described in subpara-  
22                         graph (A) within a census tract having a popu-  
23                         lation density of less than 20 persons per  
24                         square mile, as determined by the Secretary ac-

1 cording to the most recent census of the United  
2 States as of any date; and

3 “(C) such areas as a State Rural Develop-  
4 ment Council may identify as rural.

5 “(5) STATE RURAL DEVELOPMENT COUNCIL.—  
6 The term ‘State rural development council’ means a  
7 State rural development council that meets the re-  
8 quirements of subsection (d).

9 “(b) ESTABLISHMENT.—

10 “(1) IN GENERAL.—There is established a Na-  
11 tional Rural Development Partnership composed  
12 of—

13 “(A) the National Rural Development  
14 Council established under subsection (a); and

15 “(B) State rural development councils es-  
16 tablished under subsection (d).

17 “(2) PURPOSES.—The purposes of the Partner-  
18 ship are—

19 “(A) to empower and build the capacity of  
20 States and rural communities within States to  
21 design unique responses to their own special  
22 rural development needs, with local determina-  
23 tions of progress and selection of projects and  
24 activities;

1           “(B) to encourage participants to be flexi-  
2           ble and innovative in establishing new partner-  
3           ships and trying fresh, new approaches to rural  
4           development issues, with responses to rural de-  
5           velopment that use different approaches to fit  
6           different situations; and

7           “(C) to encourage all 5 partners of the  
8           Partnership (Federal, State, local, and tribal  
9           governments, the private sector, and nonprofit  
10          organizations) to be fully engaged and share  
11          equally in decisions.

12          “(3) ROLE OF FEDERAL GOVERNMENT.—The  
13          role of the Federal Government in the Partnership  
14          should be that of a partner, coach, and facilitator,  
15          with Federal agencies authorized—

16                 “(A) to cooperate closely with States to  
17                 implement the Partnership;

18                 “(B) to provide States with the technical  
19                 and administrative support necessary to plan  
20                 and implement tailored rural development strat-  
21                 egies to meet local needs;

22                 “(C) to delegate decisionmaking to other  
23                 levels;

24                 “(D) to ensure that the head of each de-  
25                 partment and agency specified in subsection

1 (a)(1)(B) designates a senior-level agency offi-  
2 cial to represent the department or agency, re-  
3 spectively, on the Council and directs appro-  
4 priate field staff to participate fully with the  
5 State rural development council within their ju-  
6 risdiction; and

7 “(E) to enter into cooperative agreements  
8 with, and to provide grants and other assistance  
9 to, State rural development councils, regardless  
10 of the form of legal organization of a State  
11 rural development council and notwithstanding  
12 any other provision of law.

13 “(4) ROLE OF PRIVATE AND NONPROFIT SEC-  
14 TOR ORGANIZATIONS.—Private and nonprofit sector  
15 organizations are encouraged—

16 “(A) to act as full partners in the Partner-  
17 ship and State rural development councils; and

18 “(B) to cooperate with participating gov-  
19 ernment organizations in developing innovative  
20 problem approaches to rural development.

21 “(c) NATIONAL RURAL DEVELOPMENT COUNCIL.—

22 “(1) ESTABLISHMENT.—There is established a  
23 National Rural Development Council.

24 “(2) COMPOSITION.—The Council shall be com-  
25 posed of—

1           “(A) 1 representative of each agency with  
2 rural responsibilities that elects to participate in  
3 the Council; and

4           “(B) representatives of local, regional,  
5 State, tribal, and nongovernmental profit and  
6 nonprofit organizations that elect to participate  
7 in the activities of the Council.

8           “(3) DUTIES.—The Council shall—

9           “(A) provide support for the work of the  
10 State rural development councils;

11           “(B) facilitate coordination among Federal  
12 programs and activities, and with State, local,  
13 tribal, and private programs and activities, af-  
14 fecting rural development;

15           “(C) enhance the effectiveness, responsive-  
16 ness, and delivery of Federal programs in rural  
17 areas;

18           “(D) gather and provide to Federal au-  
19 thorities information and input for the develop-  
20 ment and implementation of Federal programs  
21 impacting rural economic and community devel-  
22 opment;

23           “(E) review and comment on policies, reg-  
24 ulations, and proposed legislation that affect or  
25 would affect rural areas;

1           “(F) provide technical assistance to State  
2           rural development councils for the implementa-  
3           tion of Federal programs; and

4           “(G) develop and facilitate strategies to re-  
5           duce or eliminate administrative and regulatory  
6           impediments.

7           “(4) ELECTION NOT TO PARTICIPATE.—An  
8           agency with rural responsibilities that elects not to  
9           participate in the Partnership shall submit to Con-  
10          gress a report that describes—

11           “(A) how the programmatic responsibilities  
12          of the Federal agency that target or have an  
13          impact on rural areas are better achieved with-  
14          out participation by the agency in the Partner-  
15          ship; and

16           “(B) a more effective means of partner-  
17          ship-building and collaboration to achieve the  
18          programmatic responsibilities of the agency.

19           “(5) PERFORMANCE EVALUATIONS.—In con-  
20          ducting a performance evaluation of an employee of  
21          an agency with rural responsibilities, the agency  
22          shall consider any comments submitted by a State  
23          rural development council.

24          “(d) STATE RURAL DEVELOPMENT COUNCILS.—

1           “(1) ESTABLISHMENT.—Each State may elect  
2           to participate in the Partnership by entering into a  
3           memorandum of agreement with the Secretary to es-  
4           tablish a State rural development council.

5           “(2) STATE DIVERSITY.—Each State rural de-  
6           velopment council shall—

7                   “(A) have a nonpartisan and nondiscrim-  
8                   inatory membership that is broad and rep-  
9                   resentative of the economic, social, and political  
10                  diversity of the State; and

11                  “(B) carry out programs and activities in  
12                  a manner that reflects the diversity of the  
13                  State.

14           “(3) DUTIES.—Each State rural development  
15           council shall—

16                   “(A) facilitate collaboration among Fed-  
17                   eral, State, local, and tribal governments and  
18                   the private and nonprofit sectors in the plan-  
19                   ning and implementation of programs and poli-  
20                   cies that target or have an impact on rural  
21                   areas of the State;

22                   “(B) enhance the effectiveness, responsive-  
23                   ness, and delivery of Federal and State pro-  
24                   grams in rural areas of the State;

1           “(C) gather and provide to the Council and  
2 other appropriate organizations information on  
3 the condition of rural areas in the State;

4           “(D) monitor and report on policies and  
5 programs that address, or fail to address, the  
6 needs of the rural areas of the State;

7           “(E) facilitate the formulation of local  
8 needs assessments for the rural areas of the  
9 State and participate in the development of cri-  
10 teria for the distribution of Federal funds to  
11 the rural areas of the State;

12           “(F) provide comments to the Council and  
13 other appropriate organizations on policies, reg-  
14 ulations, and proposed legislation that affect or  
15 would affect the rural areas of the State;

16           “(G) in conjunction with the Council, fa-  
17 cilitate the development of strategies to reduce  
18 or eliminate conflicting or duplicative adminis-  
19 trative or regulatory requirements of Federal,  
20 State, local, and tribal governments;

21           “(H) use grant or cooperative agreement  
22 funds available to the Partnership to—

23                   “(i) retain an Executive Director and  
24                   such support staff as are necessary to fa-

1 cilitate and implement the directives of the  
2 State rural development council; and

3 “(ii) defray expenses associated with  
4 carrying out subparagraphs (A) through  
5 (G) and subparagraph (J);

6 “(I) be authorized to solicit funds to sup-  
7 plement and match funds granted under sub-  
8 paragraph (H); and

9 “(J) be authorized to engage in all other  
10 appropriate activities.

11 “(4) COMMENTS OR RECOMMENDATIONS.—

12 “(A) IN GENERAL.—A State rural develop-  
13 ment council may provide comments and rec-  
14 ommendations to an agency with rural respon-  
15 sibilities related to the activities of the State  
16 rural development council within the State.

17 “(B) AGENCY.—The agency with rural re-  
18 sponsibilities shall provide to the State rural de-  
19 velopment council a written response to the  
20 comments or recommendations.

21 “(5) ACTIONS OF STATE RURAL DEVELOPMENT  
22 COUNCIL MEMBERS.—When carrying out a program  
23 or activity authorized by a State rural development  
24 council, a member of the Council shall be regarded

1 as an employee of the Federal Government for pur-  
2 poses of chapter 171 of title 28, United States Code.

3 “(6) FEDERAL PARTICIPATION IN STATE RURAL  
4 DEVELOPMENT COUNCILS.—

5 “(A) IN GENERAL.—Subject to subpara-  
6 graph (B), Federal employees may participate  
7 in a State rural development council.

8 “(B) CONFLICTS.—A Federal employee  
9 who participates in a State rural development  
10 council shall not participate in the making of  
11 any council decision if the agency represented  
12 by the Federal employee has any financial or  
13 other interest in the outcome of the decision.

14 “(C) FEDERAL GUIDANCE.—The Attorney  
15 General shall issue guidance to all Federal em-  
16 ployees that participate in State rural develop-  
17 ment councils that describes specific decisions  
18 that—

19 “(i) would constitute a conflict of in-  
20 terest for the Federal employee; and

21 “(ii) from which the Federal employee  
22 must recuse himself or herself.

23 “(e) ADMINISTRATION OF THE PARTNERSHIP.—

24 “(1) DETAIL OF EMPLOYEES.—In order to pro-  
25 vide experience in intergovernmental collaboration,

1 with the approval of the head of an agency with  
2 rural responsibilities that elects to participate in the  
3 Partnership, an employee of the agency with rural  
4 responsibilities is encouraged to be detailed to the  
5 Partnership without reimbursement, and such detail  
6 shall be without interruption or loss of civil service  
7 status or privilege.

8 “(2) ADDITIONAL SUPPORT.—The Secretary  
9 shall provide for any additional support staff to the  
10 Partnership as the Secretary determines to be nec-  
11 essary to carry out the duties of the Partnership.

12 “(3) PANEL.—

13 “(A) IN GENERAL.—A panel consisting of  
14 representatives of the Council and State rural  
15 development councils shall be established to  
16 lead and coordinate the strategic operation,  
17 policies, and practices of the Partnership.

18 “(B) ANNUAL REPORTS.—In conjunction  
19 with the Council and State rural development  
20 councils, the panel shall prepare and submit to  
21 Congress an annual report on the activities of  
22 the Partnership.

23 “(f) FUNDING.—

1           “(1) AUTHORIZATION OF APPROPRIATIONS.—

2           There are authorized to be appropriated such sums

3           as are necessary to carry out this section.

4           “(2) FEDERAL AGENCIES.—

5           “(A) IN GENERAL.—Notwithstanding any

6           other provision of law, in order to carry out the

7           purposes described in subsection (b)(2), the

8           Partnership shall be eligible to receive grants,

9           gifts, contributions, or technical assistance

10          from, or enter into contracts with, any Federal

11          department or agency, to the extent otherwise

12          permitted by law.

13          “(B) ASSISTANCE.—Federal departments

14          and agencies are encouraged to use funds made

15          available for programs that target or impact

16          rural areas to provide assistance to, and enter

17          into contracts with, the Partnership, as de-

18          scribed in subparagraph (A).

19          “(3) CONTRIBUTIONS.—The Partnership may

20          accept private contributions.

21          “(g) MATCHING REQUIREMENTS FOR STATE RURAL

22          DEVELOPMENT COUNCILS.—A State rural development

23          council shall provide matching funds, or in-kind goods or

24          services, to support the activities of the State rural devel-

25          opment council in an amount that is not less than 25 per-

1 cent of the amount of Federal funds received under the  
2 agreement described in subsection (d)(1).

3 “(h) TERMINATION.—The authority provided under  
4 this section shall terminate 5 years after the date of enact-  
5 ment of this section.”.

6 **SEC. 11. ESTABLISHMENT OF NORTHERN NEW YORK TRAV-**  
7 **EL AND TOURISM RESEARCH CENTER.**

8 The Secretary of Agriculture shall make a grant to  
9 the William C. Merwin Rural Services Institute of the  
10 State University of New York at Potsdam, New York, for  
11 the establishment and operation of a Northern New York  
12 Travel and Tourism Research Center at the institute.

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