

108TH CONGRESS  
1ST SESSION

# S. 527

To establish the Southern Regional Commission for the purpose of breaking the cycle of persistent poverty among the southeastern States.

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IN THE SENATE OF THE UNITED STATES

MARCH 5, 2003

Mr. MILLER introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

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## A BILL

To establish the Southern Regional Commission for the purpose of breaking the cycle of persistent poverty among the southeastern States.

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 “Southern Regional  
5 Commission Act of 2003”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

8 (1) the rural southeast has been historically  
9 marked by high poverty rates, low education levels,

1 poor economic conditions, and poor quality of life,  
2 for individuals of all ages;

3 (2) recent studies—

4 (A) have documented the social costs of  
5 persistent poverty;

6 (B) have documented that the rural south-  
7 east—

8 (i) experiences greater levels of overall  
9 poverty than the Appalachian region or the  
10 Delta region; but

11 (ii) has not been made the subject of  
12 a focused Federal program to address pov-  
13 erty; and

14 (C) argue for the need for a governmental  
15 commission to build on the efforts of States,  
16 local governments, and community-based enti-  
17 ties to focus on ending persistent poverty and  
18 building wealth;

19 (3) the structure of the Appalachian Regional  
20 Commission serves as a successful model for build-  
21 ing wealth and improving the conditions of commu-  
22 nities that suffer from persistent poverty; and

23 (4) a commission for the rural southeast estab-  
24 lished on the model of the Appalachian Regional  
25 Commission is critical—

1 (A) to address the gaps in education,  
2 health, housing, transportation, technology, and  
3 infrastructure in the southeastern poverty belt;  
4 and

5 (B) to break the cycle of persistent poverty  
6 in the region.

7 **SEC. 3. DEFINITIONS.**

8 In this Act:

9 (1) COMMISSION.—The term “Commission”  
10 means the Southern Regional Commission estab-  
11 lished by section 4(a).

12 (2) FEDERAL GRANT PROGRAM.—The term  
13 “Federal grant program” means a Federal grant  
14 program to provide assistance in carrying out eco-  
15 nomic and community development activities.

16 (3) LOCAL DEVELOPMENT DISTRICT.—The  
17 term “local development district” means an entity  
18 that—

19 (A) is designated by the State and is—

20 (i) a planning district in existence on  
21 the date of enactment of this Act that is  
22 recognized by the Economic Development  
23 Administration of the Department of Com-  
24 merce; or

25 (ii) a special district that is—

1 (I) designated after consultation  
 2 with each appropriate State agency  
 3 and the Governor; and

4 (II) responsible for addressing  
 5 the causes and effects of persistent  
 6 poverty; and

7 (B) has not, as certified by the Federal co-  
 8 chairperson—

9 (i) inappropriately used Federal grant  
 10 funds from any Federal source; or

11 (ii) appointed an officer who, during  
 12 the period in which another entity inappro-  
 13 priately used Federal grant funds from any  
 14 Federal source, was an officer of the other  
 15 entity.

16 (4) NONPROFIT ENTITY.—The term “nonprofit  
 17 entity” means any entity with tax-exempt or non-  
 18 profit status (as determined by the Internal Revenue  
 19 Service) that—

20 (A) has been formed for the purpose of  
 21 economic development; or

22 (B) has a proven record of economic devel-  
 23 opment experience.

24 (5) REGION.—The term “region” means the  
 25 area consisting of—

1 (A) in the State of Alabama, the counties  
2 of Barbour, Bullock, Butler, Choctaw, Clarke,  
3 Coffee, Conecuh, Covington, Crenshaw, Dale,  
4 Dallas, Escambia, Geneva, Greene, Henry,  
5 Houston, Lee, Lowndes, Marengo, Monroe,  
6 Perry, Pike, Russell, Sumter, Washington, and  
7 Wilcox;

8 (B) in the State of Florida, the counties of  
9 Alachua, Baker, Bay, Bradford, Calhoun, Co-  
10 lumbia, Dixie, Franklin, Gadsden, Gilchrist,  
11 Gulf, Hamilton, Holmes, Jackson, Jefferson,  
12 Lafayette, Leon, Levy, Liberty, Madison, Put-  
13 nam, Suwannee, Taylor, Union, Walton, and  
14 Washington;

15 (C) in the State of Georgia, the counties of  
16 Appling, Atkinson, Bacon, Baker, Baldwin, Ben  
17 Hill, Berrien, Bleckley, Brantley, Brooks,  
18 Bulloch, Burke, Calhoun, Candler, Charlton,  
19 Clarke, Clay, Clinch, Coffee, Colquit, Cook,  
20 Crawford, Crisp, Decatur, Dodge, Dooly,  
21 Dougherty, Early, Echols, Emanuel, Evans,  
22 Glascock, Glynn, Grady, Greene, Hancock,  
23 Irwin, Jasper, Jeff Davis, Jefferson, Jenkins,  
24 Johnson, Lanier, Laurens, Liberty, Lincoln,  
25 Long, Lowndes, Macon, Marion, McDuffie,

1 McIntosh, Meriwether, Miller, Mitchell, Mont-  
 2 gomery, Oglethorpe, Peach, Pierce, Pulaski,  
 3 Putnam, Quitman, Randolph, Schley, Screven,  
 4 Seminole, Stewart, Sumter, Talbot, Taliaferro,  
 5 Tattnell, Taylor, Telfair, Terrell, Thomas, Tift,  
 6 Toombs, Treutlen, Troup, Turner, Twiggs,  
 7 Ware, Warren, Washington, Wayne, Webster,  
 8 Wheeler, Wilcox, Wilkes, Wilkinson, and Worth;

9 (D) in the State of Mississippi, the coun-  
 10 ties of Clarke, Forrest, George, Greene, Han-  
 11 cock, Jasper, Jones, Lamar, Lauderdale, Leake,  
 12 Neshoba, Newton, Pearl River, Perry, Scott,  
 13 Smith, Stone, and Wayne;

14 (E) in the State of North Carolina, the  
 15 counties of Anson, Beaufort, Bertie, Bladen,  
 16 Caswell, Chowan, Columbus, Craven, Duplin,  
 17 Edgecombe, Gates, Greene, Halifax, Harnett,  
 18 Hertford, Hoke, Hyde, Jones, Lenoir, Martin,  
 19 Montgomery, Nash, New Hanover, North-  
 20 ampton, Pamlico, Pasquotank, Pender,  
 21 Perquimans, Pitt, Richmond, Robeson, Samp-  
 22 son, Scotland, Tyrrell, Vance, Warren, Wash-  
 23 ington, Wayne, and Wilson;

24 (F) in the State of South Carolina, the  
 25 counties of Abbeville, Allendale, Bamberg,

1           Barnwell, Calhoun, Chester, Chesterfield,  
 2           Clarendon, Colleton, Darlington, Dillon,  
 3           Edgefield, Fairfield, Florence, Georgetown,  
 4           Greenwood, Hampton, Jasper, Lee, Marion,  
 5           Marlboro, McCormick, Newberry, Orangeburg,  
 6           Saluda, Sumter, Union, and Williamsburg; and  
 7           (G) in the State of Virginia, the counties  
 8           of Brunswick, Buckingham, Charlotte, Cum-  
 9           berland, Danville, Emporia, Greenville, Hali-  
 10          fax, Lunenburg, Mecklenburg, Nottoway,  
 11          Prince Edward, Southampton, and Sussex.

12 **SEC. 4. SOUTHERN REGIONAL COMMISSION.**

13           (a) ESTABLISHMENT.—

14           (1) IN GENERAL.—There is established the  
 15           Southern Regional Commission.

16           (2) COMPOSITION.—The Commission shall be  
 17           composed of—

18           (A) a Federal member, to be appointed by  
 19           the President, by and with the advice and con-  
 20           sent of the Senate; and

21           (B) State members, who shall consist of  
 22           the Governor of each State in the region that  
 23           elects to participate in the Commission.

24           (3) COCHAIRPERSONS.—The Commission shall  
 25           be headed by—

- 1 (A) the Federal member, who shall serve—  
2 (i) as the Federal cochairperson; and  
3 (ii) as a liaison between the Federal  
4 Government and the Commission; and  
5 (B) a State cochairperson, who shall be—  
6 (i) a Governor of a State described in  
7 paragraph (2)(B); and  
8 (ii) elected by the State members for  
9 a term of not less than 1 year.

10 (b) ALTERNATE MEMBERS.—

11 (1) ALTERNATE FEDERAL COCHAIRPERSON.—

12 The President shall appoint an alternate Federal co-  
13 chairperson.

14 (2) STATE ALTERNATE MEMBERS.—

15 (A) APPOINTMENT.—The State member of  
16 a State described in subsection (a)(2)(B) may  
17 have a single alternate member, who shall be  
18 appointed by the Governor of the State from  
19 among the cabinet or personal staff of the Gov-  
20 ernor.

21 (B) VOTING.—An alternate member shall  
22 vote in the event of the absence, death, dis-  
23 ability, removal, or resignation of the member  
24 for whom the individual is an alternate member.

25 (3) QUORUM.—

1 (A) IN GENERAL.—Subject to subpara-  
 2 graphs (B) and (C), the Commission shall de-  
 3 termine what constitutes a quorum of the Com-  
 4 mission.

5 (B) FEDERAL COCHAIRPERSON.—To es-  
 6 tablish a quorum of the Commission, the Fed-  
 7 eral cochairperson or a designee of the Federal  
 8 cochairperson shall be present.

9 (C) STATE ALTERNATE MEMBERS.—A  
 10 State alternate member shall not be counted to-  
 11 ward the establishment of a quorum of the  
 12 Commission.

13 (4) DELEGATION OF POWER.—No power or re-  
 14 sponsibility of the Commission specified in para-  
 15 graph (3) or (4) of subsection (c), and no voting  
 16 right of any member of the Commission, shall be  
 17 delegated to any individual who—

18 (A) is not a Commission member; or

19 (B) is not entitled to vote in Commission  
 20 meetings.

21 (c) DECISIONS.—

22 (1) REQUIREMENTS FOR APPROVAL.—Except  
 23 as provided in subsection (g), each decision by the  
 24 Commission shall require the affirmative vote of the  
 25 Federal cochairperson and a majority of the State

1 members, excluding members representing States de-  
 2 linquent under subsection (g)(2)(C).

3 (2) CONSULTATION.—In any matter coming be-  
 4 fore the Commission, the Federal cochairperson, to  
 5 the maximum extent practicable, shall consult with  
 6 Federal agencies having an interest in the matter.

7 (3) DECISIONS REQUIRING QUORUM OF STATE  
 8 MEMBERS.—The following decisions may not be  
 9 made without a quorum of State members:

10 (A) A decision involving Commission pol-  
 11 icy.

12 (B) Approval of a State, regional, or sub-  
 13 regional development plan or strategy state-  
 14 ment.

15 (C) Modification or revision of the code of  
 16 the Commission.

17 (D) Allocation among the States of  
 18 amounts made available under this Act.

19 (4) PROJECT AND GRANT PROPOSALS.—The ap-  
 20 proval of project and grant proposals shall be—

21 (A) a responsibility of the Commission;  
 22 and

23 (B) carried out in accordance with section  
 24 10.

25 (d) DUTIES.—The Commission shall—

1           (1) develop, on a continuing basis, giving due  
2           consideration to other Federal, State, and local plan-  
3           ning and development activities in the region, com-  
4           prehensive and coordinated plans and programs to  
5           establish priorities and approve grants aimed at  
6           breaking the cycle of persistent poverty by increas-  
7           ing the capacity of individuals—

8                   (A) to participate in the economy; and

9                   (B) to build wealth;

10           (2) not later than 1 year after the date of en-  
11           actment of this Act, establish priorities in a targeted  
12           strategy for the region (including 5-year outcome  
13           targets for the region);

14           (3)(A) use the findings of Phase I of the Study  
15           on Persistent Poverty in the South, prepared by the  
16           University of Georgia and dated 2002; and

17           (B) assess any needs and capital assets of the  
18           region that are not addressed by the study referred  
19           to in subparagraph (A) based on available research,  
20           demonstration projects, assessments, and evaluations  
21           of the region prepared by—

22                   (i) Federal, State, or local agencies;

23                   (ii) private nonprofit entities focused on  
24           development of the region, such as the Southern  
25           Growth Policies Board;

1 (iii) local development districts;

2 (iv) local community-based entities and  
3 collaboratives;

4 (v) institutions of higher education; or

5 (vi) any other relevant source;

6 (4) enhance the capacity of, and provide sup-  
7 port for, local development districts in the region;

8 (5) support and enhance State resources and  
9 activities designed to address persistent poverty;

10 (6) promote multijurisdictional efforts at the  
11 local level intended to maximize local resources;

12 (7) support community-based efforts designed  
13 to address persistent poverty;

14 (8) encourage private investment in industrial,  
15 commercial, and other economic development  
16 projects in the region; and

17 (9) engage land-grant colleges and universities  
18 (as defined in section 1404 of the National Agricul-  
19 tural Research, Extension, and Teaching Policy Act  
20 of 1977 (7 U.S.C. 3103)) to provide research sup-  
21 port for each State included in the region.

22 (e) ADMINISTRATION.—In carrying out subsection  
23 (d), the Commission may—

24 (1) hold such hearings, sit and act at such  
25 times and places, take such testimony, receive such

1 evidence, and print or otherwise reproduce and dis-  
2 tribute a description of the proceedings of, and re-  
3 ports on actions by, the Commission as the Commis-  
4 sion considers appropriate;

5 (2) authorize, through the Federal or State co-  
6 chairperson or any other member of the Commission  
7 designated by the Commission, the administration of  
8 oaths, if the Commission determines that testimony  
9 should be taken or evidence received under oath;

10 (3) request from any Federal, State, or local  
11 agency such information as is available to or pro-  
12 curable by the agency and may be of use to the  
13 Commission in carrying out the duties of the Com-  
14 mission;

15 (4) adopt, amend, and repeal bylaws and rules  
16 governing the conduct of the business of the Com-  
17 mission and the performance of the duties of the  
18 Commission;

19 (5) request the head of any Federal agency to  
20 detail to the Commission such personnel as the Com-  
21 mission requires to carry out the duties of the Com-  
22 mission, each such detail to be without loss of se-  
23 niority, pay, or other employee status;

24 (6) request the head of any State agency or  
25 local government to detail to the Commission such

1 personnel as the Commission requires to carry out  
2 the duties of the Commission, each such detail to be  
3 without loss of seniority, pay, or other employee sta-  
4 tus;

5 (7) provide for coverage of Commission employ-  
6 ees in a suitable retirement and employee benefit  
7 system by—

8 (A) making arrangements or entering into  
9 contracts with any State government of a State  
10 in the region that elects to participate in the  
11 Commission; or

12 (B) otherwise providing retirement and  
13 other employee benefit coverage;

14 (8) accept, use, and dispose of gifts or dona-  
15 tions of services or real, personal, tangible, or intan-  
16 gible property;

17 (9) enter into and perform such contracts or  
18 other transactions as are necessary to carry out the  
19 duties of the Commission;

20 (10) establish and maintain a central office lo-  
21 cated within the region and field offices at such loca-  
22 tions as the Commission may select; and

23 (11) provide for an appropriate level of rep-  
24 resentation in Washington, District of Columbia.

1 (f) FEDERAL AGENCY COOPERATION.—A Federal  
2 agency shall—

3 (1) cooperate with the Commission; and

4 (2) provide, on request of the Federal cochair-  
5 person, appropriate assistance in carrying out this  
6 Act, in accordance with applicable Federal laws (in-  
7 cluding regulations).

8 (g) ADMINISTRATIVE EXPENSES.—

9 (1) IN GENERAL.—Administrative expenses of  
10 the Commission (other than the expenses of the  
11 Federal cochairperson, including expenses of the al-  
12 ternate Federal cochairperson and the staff of the  
13 Federal cochairperson, which shall be paid solely by  
14 the Federal Government) shall be paid—

15 (A) by the Federal Government, in an  
16 amount equal to 50 percent of the administra-  
17 tive expenses; and

18 (B) by the States in the region that elect  
19 to participate in the Commission, in an amount  
20 equal to 50 percent of the administrative ex-  
21 penses.

22 (2) STATE SHARE.—

23 (A) IN GENERAL.—The share of adminis-  
24 trative expenses of the Commission to be paid

1 by each State shall be determined by the Com-  
2 mission.

3 (B) NO FEDERAL PARTICIPATION.—The  
4 Federal cochairperson shall not participate or  
5 vote in any decision under subparagraph (A).

6 (C) DELINQUENT STATES.—During any  
7 period in which a State is delinquent in pay-  
8 ment of the State’s share of administrative ex-  
9 penses of the Commission under this sub-  
10 section—

11 (i) no assistance under this Act shall  
12 be provided to the State (including assist-  
13 ance to a political subdivision or a resident  
14 of the State); and

15 (ii) no member of the Commission  
16 from the State shall participate or vote in  
17 any action by the Commission.

18 (h) COMPENSATION.—

19 (1) FEDERAL COCHAIRPERSON.—The Federal  
20 cochairperson shall be compensated by the Federal  
21 Government at the annual rate of basic pay pre-  
22 scribed for level III of the Executive Schedule under  
23 section 5314 of title 5, United States Code.

24 (2) ALTERNATE FEDERAL COCHAIRPERSON.—  
25 The alternate Federal cochairperson—

1 (A) shall be compensated by the Federal  
2 Government at the annual rate of basic pay  
3 prescribed for level V of the Executive Schedule  
4 under section 5316 of title 5, United States  
5 Code; and

6 (B) when not actively serving as an alter-  
7 nate for the Federal cochairperson, shall per-  
8 form such functions and duties as are delegated  
9 by the Federal cochairperson.

10 (3) STATE MEMBERS AND ALTERNATE STATE  
11 MEMBERS.—

12 (A) IN GENERAL.—A State shall com-  
13 pensate each member and alternate member  
14 representing the State on the Commission at  
15 the rate established by State law.

16 (B) NO ADDITIONAL COMPENSATION.—No  
17 State member or alternate State member shall  
18 receive any salary, or any contribution to or  
19 supplementation of salary, for services provided  
20 by the member or alternate member to the  
21 Commission from any source other than the  
22 State.

23 (4) DETAILED PERSONNEL.—

24 (A) STATE DETAILEES.—

1 (i) IN GENERAL.—No individual de-  
2 tailed to the Commission under subsection  
3 (e)(6) shall receive any salary, or any con-  
4 tribution to or supplementation of salary,  
5 for services provided to the Commission  
6 from—

7 (I) any source other than the  
8 State, local, or intergovernmental  
9 agency from which the individual was  
10 detailed; or

11 (II) the Commission.

12 (ii) VIOLATION.—Any individual that  
13 violates this subparagraph shall be fined  
14 not more than \$5,000, imprisoned not  
15 more than 1 year, or both.

16 (B) FEDERAL PERSONNEL.—The Federal  
17 cochairperson, the alternate Federal cochair-  
18 person, and any Federal officer or employee de-  
19 tailed to the Commission under subsection  
20 (e)(5) shall be subject to sections 202 through  
21 209 of title 18, United States Code.

22 (5) ADDITIONAL PERSONNEL.—

23 (A) COMPENSATION.—

24 (i) IN GENERAL.—Subject to clause  
25 (ii), the Commission may appoint and fix

1 the compensation of an executive director  
2 and such other personnel as are necessary  
3 to enable the Commission to carry out the  
4 duties of the Commission.

5 (ii) MAXIMUM COMPENSATION.—Com-  
6 pensation under clause (i) shall not exceed  
7 the maximum rate for the Senior Executive  
8 Service under section 5382 of title 5,  
9 United States Code, including any applica-  
10 ble locality-based comparability payment  
11 that may be authorized under section  
12 5304(h)(2)(C) of that title.

13 (B) EXECUTIVE DIRECTOR.—The executive  
14 director shall be responsible for—

15 (i) carrying out the administrative du-  
16 ties of the Commission;

17 (ii) directing the Commission staff;  
18 and

19 (iii) carrying out such other duties as  
20 the Commission may assign.

21 (C) FEDERAL EMPLOYEE STATUS.—No  
22 member, alternate member, officer, or employee  
23 of the Commission (except the Federal cochair-  
24 person of the Commission, the alternate Fed-  
25 eral cochairperson, staff for the Federal co-

1 chairperson, and any Federal officer or em-  
2 ployee detailed to the Commission under sub-  
3 section (e)(5)) shall be considered to be a Fed-  
4 eral employee for any purpose.

5 (i) CONFLICTS OF INTEREST.—

6 (1) IN GENERAL.—Except as provided under  
7 paragraph (2), no State member, alternate State  
8 member, officer, or employee of the Commission  
9 shall participate personally and substantially as a  
10 member, alternate member, officer, or employee of  
11 the Commission, through decision, approval, dis-  
12 approval, recommendation, the rendering of advice,  
13 investigation, or otherwise, in any proceeding, appli-  
14 cation, request for a ruling or other determination,  
15 contract, claim, controversy, or other matter in  
16 which, to knowledge of the member, alternate mem-  
17 ber, officer, or employee, any of the following per-  
18 sons has a financial interest:

19 (A) The member, alternate member, offi-  
20 cer, or employee.

21 (B) The spouse, minor child, partner, or  
22 organization (other than a State or political  
23 subdivision of the State) of the member, alter-  
24 nate member, officer, or employee, in which the  
25 member, alternate member, officer, or employee

1 is serving as officer, director, trustee, partner,  
2 or employee.

3 (C) Any individual or organization with  
4 whom the member, alternate member, officer,  
5 or employee is negotiating or has any arrange-  
6 ment concerning prospective employment.

7 (2) DISCLOSURE.—Paragraph (1) shall not  
8 apply if the State member, alternate State member,  
9 officer, or employee—

10 (A) immediately advises the Commission of  
11 the nature and circumstances of the proceeding,  
12 application, request for a ruling or other deter-  
13 mination, contract, claim, controversy, or other  
14 particular matter presenting a potential conflict  
15 of interest;

16 (B) makes full disclosure of the financial  
17 interest; and

18 (C) before the proceeding concerning the  
19 matter presenting the conflict of interest, re-  
20 ceives a written determination by the Commis-  
21 sion that the interest is not so substantial as to  
22 be likely to affect the integrity of the services  
23 that the Commission may expect from the State  
24 member, alternate State member, officer, or  
25 employee.

1           (3) VIOLATION.—Any person that violates this  
 2           subsection shall be fined not more than \$10,000, im-  
 3           prisoned not more than 2 years, or both.

4           (j) VALIDITY OF CONTRACTS, LOANS, AND  
 5 GRANTS.—The Commission may declare void any con-  
 6 tract, loan, or grant of the Commission in relation to  
 7 which the Commission determines that there has been a  
 8 violation of subsection (h)(4), subsection (i), or any of sec-  
 9 tions 202 through 209 of title 18, United States Code.

10 **SEC. 5. COMMUNITY AND ECONOMIC DEVELOPMENT**  
 11 **GRANTS.**

12           (a) IN GENERAL.—The Commission may approve  
 13 grants to States and public and nonprofit entities for  
 14 projects, approved in accordance with section 10—

15           (1) to increase the capacity of individuals in the  
 16 region to participate in the economy through im-  
 17 provements in education, health care, and other fac-  
 18 tors that are essential for the development of full  
 19 human potential;

20           (2) to assist the region in obtaining job train-  
 21 ing, employment-related education, and business de-  
 22 velopment;

23           (3) to develop the infrastructure of the region  
 24 for the purpose of facilitating economic development  
 25 in the region (except that grants for this purpose

1 may be made only to a State or local government);  
2 and

3 (4) to otherwise achieve the purposes of this  
4 Act.

5 (b) FUNDING.—

6 (1) IN GENERAL.—Funds for grants under sub-  
7 section (a) may be provided—

8 (A) entirely from appropriations to carry  
9 out this section;

10 (B) in combination with funds available  
11 under another Federal or State grant program;

12 or

13 (C) from any other source.

14 (2) ELIGIBLE PROJECTS.—The Commission  
15 may provide assistance to, make grants to, enter  
16 into contracts with, or otherwise provide funds to eli-  
17 gible entities in the region for projects that pro-  
18 mote—

19 (A) opportunities for life-long learning;

20 (B) access to health care;

21 (C) job training or employment-related  
22 education;

23 (D) business development;

24 (E) affordable housing;

25 (F) local leadership development;

1 (G) basic public infrastructure, including  
2 high-tech infrastructure; and

3 (H) other efforts to reverse persistent pov-  
4 erty in the region.

5 **SEC. 6. SUPPLEMENTS TO FEDERAL GRANT PROGRAMS.**

6 (a) FEDERAL GRANT PROGRAM FUNDING.—Not-  
7 withstanding any provision of law limiting the Federal  
8 share, the areas eligible for assistance, or the authoriza-  
9 tions of appropriations, under any Federal grant program,  
10 and in accordance with subsection (b), the Federal co-  
11 chairperson may, with respect to a project to be carried  
12 out in the region—

13 (1) increase the Federal share of the costs of a  
14 project under any Federal grant program to not  
15 more than 80 percent; and

16 (2) use amounts made available to carry out  
17 this Act to pay all or a portion of the increased Fed-  
18 eral share.

19 (b) CERTIFICATION.—In the case of any project for  
20 which all or any portion of the Federal share of the costs  
21 of the project is proposed to be paid under this section,  
22 no Federal contribution shall be made until the Federal  
23 official administering the Federal law that authorizes the  
24 Federal grant program certifies that the project—



1       ministrative expenses of the local development dis-  
2       tricts.

3               (2) CONDITIONS FOR GRANTS.—

4                       (A) MAXIMUM AMOUNT.—The amount of  
5                       any grant awarded under paragraph (1) shall  
6                       not exceed 80 percent of the administrative ex-  
7                       penses of the local development district receiv-  
8                       ing the grant.

9                       (B) LOCAL DEVELOPMENT DISTRICT  
10                      SHARE.—The local development district share  
11                      of the administrative expenses may be provided  
12                      in cash or in kind, fairly evaluated, including  
13                      space, equipment, and services.

14               (b) DUTIES OF LOCAL DEVELOPMENT DISTRICTS.—

15 A local development district shall—

16               (1) operate as a lead organization serving  
17               multicounty areas in the region at the local level;  
18               and

19               (2) serve as a liaison between State and local  
20               governments, nonprofit entities (including commu-  
21               nity-based groups and educational institutions), the  
22               business community, and citizens that—

23                       (A) are involved in multijurisdictional plan-  
24                      ning;

1 (B) provide technical assistance to local ju-  
2 risdictions and potential grantees; and

3 (C) provide leadership and civic develop-  
4 ment assistance.

5 **SEC. 8. DEVELOPMENT PLANNING PROCESS.**

6 (a) STATE DEVELOPMENT PLAN.—In accordance  
7 with policies established by the Commission, each State  
8 member shall submit to the Commission a development  
9 plan for the area of the region represented by the State  
10 member.

11 (b) CONTENT OF PLAN.—A State development plan  
12 submitted under subsection (a) shall reflect the goals, ob-  
13 jectives, and priorities identified in the regional develop-  
14 ment plan developed under section 4(d)(2).

15 (c) CONSULTATION.—In carrying out the develop-  
16 ment planning process, a State shall—

17 (1) consult with—

18 (A) local development districts;

19 (B) units of local government;

20 (C) institutions of higher learning;

21 (D) nonprofit entities (including commu-  
22 nity-based groups and private entities focused  
23 on development of the region, such as the  
24 Southern Growth Policies Board);

25 (E) the business community; and

1 (F) citizens; and

2 (2) take into consideration the goals, objectives,  
3 priorities, and recommendations of the entities de-  
4 scribed in paragraph (1).

5 (d) PUBLIC PARTICIPATION.—The Commission and  
6 applicable State and local development districts shall en-  
7 courage and assist, to the maximum extent practicable,  
8 public participation in the development, revision, and im-  
9 plementation of all plans and programs under this Act.

10 (e) ANNUAL STRATEGY STATEMENT.—Not later than  
11 December 15 of each year, the Governor of each State in  
12 the region shall submit to the Commission a strategy  
13 statement describing the program of the State for achiev-  
14 ing the goals and objectives identified in the State develop-  
15 ment plan of the State submitted under subsection (a).

16 **SEC. 9. PROGRAM DEVELOPMENT CRITERIA.**

17 (a) IN GENERAL.—In considering projects to be as-  
18 sisted under this Act, and in establishing a priority rank-  
19 ing of the requests for assistance provided by the Commis-  
20 sion, the Commission shall follow procedures that ensure,  
21 to the maximum extent practicable, consideration of—

22 (1) the relationship of the project to overall de-  
23 velopment of the region;

1           (2) the per capita income and poverty and un-  
2           employment rates and other socioeconomic indicators  
3           in an area;

4           (3) the financial resources available to the ap-  
5           plicants for assistance seeking to carry out the  
6           project, with emphasis on ensuring that projects are  
7           adequately financed to maximize the probability of  
8           successful economic development;

9           (4) the importance of the project in relation to  
10          other projects that may be in competition for the  
11          same funds;

12          (5) the prospects that the project for which as-  
13          sistance is sought will improve, on a continuing rath-  
14          er than a temporary basis, the opportunities for em-  
15          ployment, the average level of income, or the eco-  
16          nomic development of the area to be served by the  
17          project; and

18          (6) the extent to which the design of the project  
19          provides for detailed outcome measurements by  
20          which grant expenditures and the results of the ex-  
21          penditures may be evaluated.

22          (b) NO RELOCATION ASSISTANCE.—No financial as-  
23          sistance authorized by this Act shall be used to assist an  
24          entity in relocating from 1 area to another.

1           (c) MAINTENANCE OF EFFORT.—Funds may be pro-  
2 vided for a project in a State under this Act only if the  
3 Commission determines that the level of Federal or State  
4 financial assistance provided under a law other than this  
5 Act, for the same type of project in the same area of the  
6 State within the region, will not be reduced as a result  
7 of funds made available by this Act.

8 **SEC. 10. APPROVAL OF DEVELOPMENT PLANS AND**  
9 **PROJECTS.**

10           (a) IN GENERAL.—A State or regional development  
11 plan or a multistate subregional plan that is proposed for  
12 development under this Act shall be reviewed by the Com-  
13 mission.

14           (b) EVALUATION BY STATE MEMBER.—An applica-  
15 tion for a grant or any other assistance for a project under  
16 this Act shall be made through, and evaluated for approval  
17 by, the State member of the Commission representing the  
18 applicant.

19           (c) CERTIFICATION.—An application for a grant or  
20 other assistance for a project shall be approved only on  
21 certification by the State member and the Federal cochair-  
22 person that the application for the project—

23                   (1) describes ways in which the project complies  
24 with any applicable State development plan;

25                   (2) meets applicable criteria under section 9;

1           (3) provides adequate assurance that the pro-  
2       posed project will be properly administered, oper-  
3       ated, and maintained; and

4           (4) otherwise meets the requirements of this  
5       Act.

6       (d) VOTES FOR DECISIONS.—On certification of an  
7       application for a grant or other assistance for a specific  
8       project under this section, an affirmative vote of the Com-  
9       mission under section 4(c) shall be required for approval  
10      of the application.

11   **SEC. 11. CONSENT OF STATES.**

12       Nothing in this Act requires any State to engage in  
13      or accept any program under this Act without the consent  
14      of the State.

15   **SEC. 12. RECORDS.**

16       (a) RECORDS OF THE COMMISSION.—

17           (1) IN GENERAL.—The Commission shall main-  
18      tain accurate and complete records of all trans-  
19      actions and activities of the Commission.

20           (2) AVAILABILITY.—All records of the Commis-  
21      sion shall be available for audit and examination by  
22      the Comptroller General of the United States (in-  
23      cluding authorized representatives of the Comp-  
24      troller General).

1 (b) RECORDS OF RECIPIENTS OF FEDERAL ASSIST-  
2 ANCE.—

3 (1) IN GENERAL.—A recipient of Federal funds  
4 under this Act shall, as required by the Commis-  
5 sion—

6 (A) maintain accurate and complete  
7 records of transactions and activities financed  
8 with Federal funds; and

9 (B) submit to the Commission reports on  
10 the transactions and activities.

11 (2) AVAILABILITY.—All records required under  
12 paragraph (1) shall be available for audit by the  
13 Comptroller General of the United States and the  
14 Commission (including authorized representatives of  
15 the Comptroller General and the Commission).

16 **SEC. 13. ANNUAL REPORT.**

17 Not later than 180 days after the end of each fiscal  
18 year, the Commission shall submit to the President and  
19 to Congress a report describing the activities carried out  
20 under this Act in the fiscal year.

21 **SEC. 14. AUTHORIZATION OF APPROPRIATIONS.**

22 (a) IN GENERAL.—There is authorized to be appro-  
23 priated to the Commission to carry out this Act  
24 \$20,000,000 for each of fiscal years 2004 through 2008,  
25 to remain available until expended.

1       (b) ADMINISTRATIVE EXPENSES.—Not more than 5  
2 percent of the amount appropriated under subsection (a)  
3 for a fiscal year shall be used for administrative expenses  
4 of the Commission.

5 **SEC. 15. TERMINATION OF AUTHORITY.**

6       The authority provided by this Act terminates effec-  
7 tive October 1, 2008.

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