

DEPARTMENT OF AGRICULTURE**Office of the Secretary****Notice Inviting Applications for Designation of Rural Empowerment Zones**

AGENCY: Office of the Secretary, USDA.

ACTION: Notice inviting applications.

SUMMARY: This Notice invites applications from state and local governments, Indian tribal governments, regional planning agencies, non-profit organizations, community-based organizations, or other locally-based organizations on behalf of rural areas nominated for designation as Empowerment Zones (EZs) as this term is defined in this Notice and in an interim rule published elsewhere in today's **Federal Register**. An application may be prepared and submitted by any one of a broad range of entities; however, the rural area in question must be nominated for designation by the state, local and Indian tribal governments having jurisdiction over the nominated area. The interim rule provides guidance which is supplemental to that provided in this Notice and which is necessary for completion and submission of applications.

DATES: Application due date: The deadline for receipt of a complete application is 5 p.m. Eastern Daylight Savings Time, October 9, 1998. Applications received after this date will not be considered. Applications may not be submitted prior to 30 days from the date of publication of the interim rule.

ADDRESSES: Application materials may be obtained from U.S. Department of Agriculture (USDA) Rural Development Offices listed in appendix A to this Notice or by sending an Internet Mail message to "round2.rural@www.ezec.gov".

FOR FURTHER INFORMATION CONTACT: Deputy Administrator, USDA Office of Community Development, EZ/EC Team, Reporters Building, Room 701, STOP 3203, 300 7th Street, SW, Washington, DC 20024-3203, telephone 1-800-851-3403, or by sending an Internet e-mail message to "round2.rural@www.ezec.gov" to obtain information. Information may also be obtained at the following website: "<http://www.ezec.gov/round2>".

SUPPLEMENTARY INFORMATION:**Paperwork Reduction Act**

The information collection requirements contained in this Notice

have been approved by the Office of Management and Budget (OMB) on an emergency basis through August 31, 1998 and assigned control numbers 0570-0026 (Application burden) and 0570-0027 (Reporting burden). See the interim rule on "Designation of Rural Empowerment Zones and Enterprise Communities" published elsewhere in this issue of the **Federal Register** for additional information on this subject, including the opportunity to comment on the burden of the information collections.

I. Background

One of the core items of President Clinton's economic proposals is the need to empower America's distressed rural and urban communities. His Empowerment Zone proposal represents a new approach to the problems of distressed communities. It emphasizes a bottom-up community based strategy rather than the traditional top-down bureaucratic approach. It is a strategy to address economic, human, community, and physical development problems and opportunities in a comprehensive fashion.

Title IX of the Taxpayer Relief Act of 1997 authorized the Secretary of the U.S. Department of Agriculture (Secretary) to designate up to five rural Empowerment Zones ("Round II") in addition to those rural empowerment zones and enterprise communities designated by the Secretary in December 1994 pursuant to title XIII of the Omnibus Budget Reconciliation Act of 1993 ("Round I"). Notice of the Round I designations was published on May 10, 1995 (60 F.R. 24828). This Notice invites applications from State and local governments, Indian tribal governments, regional planning agencies, non-profit organizations, community-based organizations, or other locally-based organizations on behalf of rural areas nominated for designation as Empowerment Zones in this second round.

The program is intended to combine the resources of the Federal Government with those of State and local governments, educational institutions and the private and non-profit sectors to implement community-developed strategic plans for economic development. The Federal Government has taken steps to coordinate Federal assistance in support of the Empowerment Zones, including expedited processing and priority funding. To that end, President Clinton issued an Executive Memorandum dated September 9, 1993 establishing a Community Empowerment Board chaired by Vice President Al Gore to

ensure the success of the Empowerment Zone initiative.

The first round of Empowerment Zone and Enterprise Community designations made in 1994 featured grants from the U.S. Department of Health and Human Services to States for the designated Empowerment Zones and Enterprise Communities. While similar grant funds have not been authorized for the Round II Empowerment Zones, we anticipate that funding may become available in Fiscal Year 1999.

II. Eligibility

The authorizing legislation specifies certain criteria that must be satisfied in order for an area to be eligible for Empowerment Zone designation, including population, general distress, geographic size and boundary configuration, and poverty rate by census tract (or by block numbering areas when the community is not delineated by census tracts; nominated areas in Alaska and Hawaii have the option of qualifying by block groups). The details of these requirements are described in the interim rule published elsewhere in today's **Federal Register** (interim rule). Unless specified otherwise, the terms used in this Notice, inclusive of the appendices, shall be defined as set forth in the interim rule. All section references refer to the interim rule.

This information must be provided in the application. USDA will accept certifications of the data by the state and local governments, subject to further verification of the data prior to designation as an Empowerment Zone.

III. Designation Factors

The statute specifies three factors to be considered by the Secretary in designating Empowerment Zones: (1) The effectiveness of the strategic plan; (2) the effectiveness of the assurances provided in support of the strategic plan; and (3) other criteria to be specified by the Secretary. Each of these factors is discussed in greater detail in the interim rule. The required form and content of the application and the strategic plan are elaborated upon in this Notice.

IV. Timing and Location of Application Submissions

Application materials may be obtained from USDA Rural Development offices listed in the appendix to this Notice or by sending an Internet e-mail message to: "round2.rural@www.ezec.gov". They are also available at the following website: "<http://www.ezec.gov/>

round2". An application may be submitted not earlier than 30 days after the date of publication of the interim final rule governing Round II. The deadline for receipt of the complete application is 5 p.m. Eastern Daylight Savings Time, October 9, 1998. Applications received after that time will not be accepted, and will be returned to the sender. As the applications require certifications from the state and local governments, we cannot accept applications sent by FAX or through the internet system. The original application and two paper copies should be sent to: U.S. Department of Agriculture, Office of Community Development, Reporters Building, 300 7th Street, SW, Room 701, Washington, DC 20024.

Applicants will be notified in the event of an incomplete application. Provided that the application is received at the above address with sufficient time before the deadline, applicants will be given an opportunity to provide the missing information to USDA.

V. Notice of Intent To Participate

Prospective applicants should complete and submit a Notice of Intent to Participate substantially in the form provided in appendix B to this Notice. A Notice form is included in the application materials; it may also be obtained by sending an Internet e-mail message to

"round2.rural@www.ezec.gov".

Applicants may also submit the notice via the internet by filling out the form on-line at the following website: "http://www.ezec.gov/round2". Applicants and other participants may wish to submit the form in order to be placed on the Empowerment Zone and Enterprise Community mailing list. While the notice is not mandatory for participation in the program, USDA encourages the submission of the notice as it will permit the Department to provide prospective applicants with updated information on program requirements as well as information on technical assistance.

VI. Application Materials

A. Application materials available from USDA consist of the following:

- (1) Round II application form.
- (2) Round II application guide.

B. The Application to be submitted on behalf of nominated rural areas shall include the following ("Application"):

- (1) A nomination package including:
 - (a) Round II application form parts I through IV; and
 - (b) The required certifications and written assurances contained in § 25.200(b) of the interim rule which are

not otherwise included in part III of the Round II application form;

- (2) A strategic plan which meets the requirements of the interim rule and the form and content requirements specified in section VII of this Notice; and

- (3) Maps. Attach a copy of the 1990 census map that shows the boundaries of:

- (a) The local governments discussed in part I of the Application Form (Nomination);
- (b) The nominated area; and
- (c) Developable sites, if any.

VII. Strategic Plan

A. The strategic plan to be submitted on behalf of the nominated area shall conform with the requirements contained in § 25.202 and § 25.303 of the interim rule. Each major section of the strategic plan should address how the plan will achieve the four key principle objectives contained in § 25.202.

B. The strategic plan must be organized into two separate volumes. Each volume should prominently identify the nominated area and be organized and labeled in the following sections and specified sequence.

C. *Volume I of the Strategic Plan ("Documentation")*. Volume I must include the following sections and content:

- (1) *Section 1—Participants*.
 - (a) Applicant and Lead entities: the name, address, description and primary contact person for the entity that will be the lead managing entity for the proposed Empowerment Zone. Clarify whether the applicant is different from the proposed lead managing entity; if so, provide the same information for the applicant entity;
 - (b) Participating entities: a list of and descriptions of the specific groups, organizations, and individuals participating in the production of the strategic plan, and descriptions of the history of these groups in the community; and
 - (c) An explanation of how participants in the planning process were selected and evidence that the participants, taken as a whole, are broadly representative of the entire community.

- (2) *Section 2—The Planning Process*.

- (a) Descriptions of how the participants created and developed the strategic plan;
- (b) Identification of two or three topics addressed in the strategic plan that caused the most serious disagreements among participants and a description of how those disagreements were resolved; and
- (c) An explanation of how the community residents and key

organizations participated in choosing the area to be nominated and why the area was nominated.

- (3) *Section 3—Eligibility*.

- (a) Include information not otherwise provided in the application form, or use this section if additional space is needed to provide eligibility information; and

- (b) Maps and a general description of the nominated area.

- (4) *Section 4—Economic and Social Conditions*. Detailed statistical information, including tabular and graphical information, not included in volume II, should be included in this section.

- (5) *Section 5—Implementation*. This section should include:

- (a) Descriptions of the roles which each participating entity, identified in volume I, section 1, will have in implementing the strategic plan; and
- (b) Evidence that key participating entities have the capacity to implement the strategic plan.

- (6) *Section 6—Public Information*. This section should include newspaper clippings, photographs, news releases and other materials relating to the community and its strategic planning process.

- (7) *Section 7—Letters of Support*. Letters of support which are submitted as part of the Application should be grouped in this section of the strategic plan.

- (8) *Section 8—Other Attachments*. Any other materials, including non-standard items such as videotapes, should be included in this section, or where, impractical, should be listed in this section and attached as separate items.

D. *Volume II of the Strategic Plan ("Plan")*. Part I. Volume II must contain four major subparts of which part I must include the following sections and content:

- (1) *Section 1—Vision and Values*. The community's strategic vision for change—a statement of what the community would like to be like in the future together with a statement of the community's values which guided its planning process and which will guide its implementation of the strategic plan.

- (2) *Section 2—Community Assessment*. A comprehensive assessment of existing conditions and trends in the nominated area in two subsections:

- (a) Assessment of Problems and Opportunities. A description and assessment of problems and opportunities. This subsection must identify those baseline conditions which the community wishes to improve as a result of the strategic plan.

It may include priority rankings by the community of problems and opportunities to be addressed by the strategic plan.

(b) **Resource Analysis.** An assessment of the resources available to the community, including financial, technical, leadership, volunteerism, skills and other community assets which may be tapped in implementing the strategic plan.

(3) **Section 3—Goals.** A statement of a comprehensive and holistic set of goals to be achieved through implementation of the strategic plan throughout the 10-year implementation period. This section should also include an index of topics and related benchmark activities which are incorporated in the strategic plan (education, criminal justice, economic development, housing, health care, water and sewer, etc.) so as to facilitate the sharing of information across Federal agencies such that they may more readily recognize how they may be able to support the Empowerment Zone during the implementation phase.

(4) **Section 4—Strategies.** A statement of the strategies the community proposes to use to achieve its strategic plan, in particular, the principal objectives of economic opportunity and sustainable community development contained in § 25.202 (a)(3) and (a)(4).

E. Volume II of the Strategic Plan (“Plan”), Part II. The second major subpart of volume II must include the following sections and content:

(1) **Section 1—Phase I work plan.** The information required pursuant to § 25.403(c)(1) for the initial two years of the designation period.

(2) **Section 2—Phase I operational budget.** The information required pursuant to § 25.402(c)(2) for the initial two years of the designation period.

(3) **Section 3—Uses of EZ/EC SSBG grants:** A detailed explanation of how the applicant proposes to use any Empowerment Zone/Enterprise Community Social Services Block Grant (EZ/EC SSBG) funds that become available to States for use by designated rural Empowerment Zones. General guidelines concerning uses of EZ/EC SSBG funds are included in appendix C to this Notice and on the Internet at <http://aspe.os.dhhs.gov/progsys/HHSguide.htm>. Applicants are encouraged to review the guidelines.

F. Volume II of the Strategic Plan (“Plan”), Part III. The third major subpart of volume II should be titled “Continuous Quality Improvement Plan”. Part III should present the community’s plan for evaluating and learning from its experiences. It should also detail the methods by which the

community will assess its own performance in implementing its benchmarks and the process it will use for revising its strategic plan and benchmark goals. Part III should include the following sections and content:

(1) **Section 1—Participation.** The proposed procedures for assuring continuous, broad based community participation in the implementation of the strategic plan;

(2) **Section 2—Incorporation of experiences.** The methods proposed for incorporating learning from experience gained during implementation of the strategic plan and from information obtained from other sources into revisions of the strategic plan, benchmark goals and implementation methods and procedures;

(3) **Section 3—Benchmark review.** The proposed procedure for reviewing benchmark progress within the community; and

(4) **Section 4—Benchmark amendment.** The proposed procedure for amending and revising benchmark goals and benchmark activities.

G. Volume II of the Strategic Plan (“Plan”), Part IV. The fourth major subpart of volume II should be titled “Administration Plan”. Part IV should present the community’s plan for administering the implementation of the strategic plan. It should include the following sections:

(1) **Section 1—Lead entity.** The name of the proposed lead entity organization, its existing and planned future legal status and authority to receive and administer funds pursuant to Federal and state and other nonprofit programs;

(2) **Section 2—Capacity.** Evidence, including an audited financial statement as of the most recent fiscal year, that the lead entity and other key organizations implementing the strategic plan have the capacity to implement the strategic plan. If the lead entity is not yet established, provide evidence of its proposed capitalization;

(3) **Section 3—Board membership.** The membership of the proposed Empowerment Zone board and the selection procedures;

(4) **Section 4—Partnerships.** The relationship between the EZ board and local governments and other major regional and community organizations operating in the same geographic area;

(5) **Section 5—Public information.** The proposed methods by which citizens of the Empowerment Zone and partnership organizations will be kept informed about the Empowerment Zone’s activities and progress in implementing the strategic plan;

(6) **Section 6—Public participation.** The methods and procedures by which

the Empowerment Zone proposes to implement the principal objective of community based partnerships pursuant to § 25.202(a)(2).

VIII. Counties Which Meet the Outmigration Test for Purposes of § 25.104(b)(2)(iii) of the Interim Rule

For purposes of volume I, section 3—Eligibility, counties which meet the outmigration test for purposes of § 25.104(b)(2)(iii) of the interim rule are listed in appendix D to this Notice.

IX. Round I and Round II Champion Communities

Round I and Round II applicants which have been granted the status of Champion communities will be notified in writing by USDA.

X. Memorandum of Agreement

It is expected that a Memorandum of Agreement (MOA) will be entered into relating to each designated Round II Empowerment Zone. The MOA shall conform in all material respects to the form of MOA provided in appendix E to this Notice.

XI. Miscellaneous

Empowerment Zone designation does not constitute a Federal action for provisions of the Uniform Relocation Act. However, any activity constituting a Federal action that may result from such a designation may be subject to the provision of this Act, as well as any other statutory or regulatory provisions governing the particular Federal action.

All designation reviews will be conducted in compliance with Federal civil rights laws.

Dated: April _____, 1998.

Dan Glickman,
Secretary of Agriculture.

List of Appendices

- A—Rural Development State EZ—EC State Contacts
- B—Notice of Intent to Participate
- C—EZ/EC SSBG Guidance from HHS
- D—Counties which meet the Outmigration test
- E—Form of Memorandum of Agreement

Appendix A: EZ/EC State Contacts

Alabama

Chris Harmon, Rural Development, Sterling Center, 4121 Carmichael Road/Suite 601, Montgomery, AL 36106-3683, phone: 334-279-3400, fax: 334-279-3403

Alaska

Frank A. Muncy, Rural Development, 800 W. Evergreen, Suite 201, Palmer, AK 99645-6539, phone: 907-745-2176, fax: 907-745-5398

Arkansas

Shirley Tucker, Rural Development, Federal Building, Room 3416, 700 W Capitol, Little

- Rock, AR 72201, phone: 501-324-6284, fax: 501-324-7351
- Arizona**
Dennis Daniels, Rural Development, 2585 North Grand Avenue, Suite #5, Nogales, AZ 85621, phone: 520-281-1068 (voice), phone: 602-609-0699 (cellular), fax: 520-281-1460
- California**
Gina Briley, Rural Development, 194 W Main Street/ Suite F, Woodland, CA 95695, phone: 530-668-2000, fax: 530-668-2055
- Colorado**
Vic Crain, Rural Development, 655 Parfet, Room E-100, Lakewood, CO 80215, phone: 303-236-2801 Ext. 134, fax: 303-236-2854
- Delaware/Maryland**
Joseph E. O'Neil, Rural Development, 5201 South Dupont Highway, P.O. Box 400, Camden, DE 19934, phone: 302-697-4304, fax: 302-697-4390
- Florida/Virgin Islands**
Glenn Walden, Rural Development, 4440 N.W. 25th Pl., PO Box 147010, Gainesville, FL 32614-7010, phone: 352-338-3440, fax: 352-338-3452
- Georgia**
Donnie Thomas, Rural Development, 355 E. Hancock Ave., Stephens Federal Building, Athens, GA 30601-2768, phone: 706-546-2162, fax: 706-546-2152
- Hawaii**
Ted Matsuo, Rural Development, Federal Building, Room 311, 154 Waiianuenue Ave., Hilo, HI 96720, phone: 808-933-3009, fax: 808-933-6901
- Idaho**
Dale Lish, Rural Development, 745 W. Bridge/Suite H, Blackfoot, ID 83221, phone: 208-785-5840, fax: 208-785-6561
- Illinois**
Charles Specht, Rural Development, 1817 S. Neil Street, Suite 103, Champaign, IL 61820, phone: 217-398-5412, fax: 217-398-5337
- Indiana**
Joseph Steele, Rural Development, 5975 Lakeside Blvd., Indianapolis, IN 46278, phone: 317-290-3109, fax: 317-290-3127
- Iowa**
Dorman Otte, Rural Development, 210 Walnut Street, Federal Bldg./Room 873, Des Moines, IA 50309, phone: 515-284-4152, fax: 515-284-4859
- Kansas**
Larry Carnahan, P. O. Box 386, Altamont, KS 67330, phone: 316-784-5319, fax: 316-784-5900
- Kentucky**
James Letcher, Rural Development, 771 Corporate Dr., Suite 200, Lexington, KY 40503, phone: 606-224-7326, fax: 606-224-7347
- Louisiana**
Mike Taylor, Rural Development, 3727 Government Street, Alexandria, LA 71302, phone: 318-473-7811, fax: 318-473-7829
- Maine**
Alan C. Daigle, Rural Development, 444 Stillwater Ave., Suite 2, P. O. Box 405, Bangor, ME 04402-0405, phone: 207-990-9168, fax: 207-990-9165
- Massachusetts**
Richard J. Burke, Rural Development, 451 West St., Amherst, MA 01002, phone: 413-253-4300, fax: 413-253-4347
- Michigan**
Reginald Magee, Rural Development, 1101 E. Washington, P. O. Box 220, Baldwin, MI 49304, phone: 616-745-8364, fax: 616-745-8493
- Minnesota**
Deborah Slipek, Rural Development, 410 Farm Credit Services Bldg, 375 Jackson Street, St. Paul, MN 55101-1853, phone: 612-602-7799, fax: 612-602-7824
- Mississippi**
Jane Jones, Rural Development, 100 W Capital St., Suite 831, Jackson, MS 39269, phone: 601-965-5457, fax: 601-965-4257
- Missouri**
D. Clark Thomas, Rural Development, 70 W. Parkade Center, Suite 235, Columbia, MO 65203, phone: 573-876-9319, fax: 573-876-0984
- Montana**
Anthony Preite, Rural Development, 900 Technology Blvd. Suite B, P. O. Box 850, Bozeman, MT 59771, phone: 406-585-2580, fax: 406-585-2565
- Nebraska**
Dale T. Wemhoff, Rural Development, Norfolk Area Office, 1909 Vicki Lane/Suite 103, Norfolk, NE 68701, phone: 402-371-6193, fax: 402-371-8930
- Nevada**
Mike Holm, Rural Development, 1390 South Curry St., Carson City, NV 89703-5405, phone: 702-887-1222, fax: 702-885-0841
- New Hampshire/Vermont**
William W. Konrad, Rural Development, 501 South Street, Bow, NH 03304, phone: 603-226-9331, fax: 603-226-9338
- New Jersey**
Michael P. Kelsey, Rural Development, Tarnsfield Plaza, Suite 22, 790 Woodland Rd., Mt. Holly, NJ 08060, phone: 609-265-3640, fax: 609-265-3651
- New Mexico**
Bill Culbertson, Rural Development, 6200 Jefferson NE, Albuquerque, NM 87109, phone: 505-761-4973, fax: 505-761-4976
- New York**
Marge Evaneck, Rural Development, Center Ithaca, Box 142, 171 East State Street, Ithaca, NY 14850, phone: 607-272-3023, fax: 607-275-9624
- North Carolina**
Debra Nesbitt, Rural Development, 4405 Bland Rd, Suite 260, Raleigh NC 27609, phone: 919-873-2042, fax: 919-873-2075
- North Dakota**
William Davis, Rural Development, P. O. Box 1737, Bismarck, ND 58502, phone: 701-250-4781, fax: 701-250-4670
- Ohio**
Allen L. Turnbull, Rural Development, Federal Building, Room 640, 200 North High Street, Columbus OH 43215, phone: 614-469-5400, fax: 614-469-5758
- Oklahoma**
Sally Vielma, Rural Development, 100 USDA, Suite 108, Stillwater, OK 74074-2654, phone: 405-742-1039, fax: 405-742-1101
- Oregon**
Jack Ware, Rural Development, 1101 Ellen Ave., Medford, OR 97501, phone: 541-776-4293, fax: 541-776-4295
- Pennsylvania**
Nancy Brewer, 36 Spring Run Road, Rm. 103, Mill Hall, PA 17751, phone: 717-726-3196, ext. 203, fax: 717-726-0064
- Puerto Rico**
Julio Chevres, Rural Development, P. O. Box 366106, San Juan, PR 00936-6106, fax: 787-281-4993
- South Carolina**
William Molnar, Rural Development, 1835 Assembly Street, Room 1007, Columbia, SC 29201, phone: 803-253-3249, fax: 803-765-5633
- South Dakota**
Robert Bothwell, Rural Development, Federal Building, Room 210, 200 Fourth Street SW, Huron, SD 57350-2477, phone: 605-352-1142, fax: 605-352-1146
- Tennessee**
Tom Mayberry, Jr., Rural Development, 3322 West End Ave., Suite 300, Nashville, TN 37203-1071, phone: 615-783-1308/783-1409, fax: 615-783-1301/1394
- Texas**
David Gonzalez, Rural Development, 4400 E. Hwy 83, Rio Grande City, TX 78582, phone: 956-487-5576, ext. 202, fax: 956-487-7882
- Utah**
A. Richard Osmond, Rural Development, Federal Bldg Room 5438, 125 South State St., Salt Lake City, UT 84138, phone: 801-524-3248, fax: 801-524-4406
- Vermont/New Hampshire**
William W. Konrad, Rural Development, 501 South Street, Bow, NH 03304, phone: 603-226-9331, fax: 603-226-9338
- Virginia**
Reginald Rountree, Rural Development, 1606 Santa Rosa Road, Richmond, VA 23229, phone: 804-287-1557, fax: 804-287-1786
- Washington**
Karen Bailor, Rural Development, 1835 Blacklake Blvd. SW, Suite B, Olympia, WA 98512, phone: 360-704-7750, fax: 360-704-7742
- Wisconsin**
David Gibson, Rural Development, 4949 Kirschling Court, Stevens Point, WI 54481, phone: 715-345-7676, fax: 715-345-7669

West Virginia

James Anderson, Rural Development, 4510 Pennsylvania Ave., Big Chimney, WV 25302, phone: 304-965-2712, fax: 304-965-2715

Wyoming

John Cochran, Rural Development, 100 East B, Federal Bldg. Room 1005, Casper, WY 82602, phone: 307-261-6319, fax: 307-261-6327

Appendix B—Notice of Intent To Participate

U.S. Department of Agriculture, Rural Development, Office of Community Development Room 701, 300 Seventh Street, NW, Washington, D.C. 20024

Note: Rural entities may:

(1) Fax this notice to (202) 690-1395;

(2) Submit this notice via e-mail to

"round2.rural@www.ezec.gov"; or

(3) Submit it electronically via the following website: "http://www.ezec.gov/round2"

This Notice of Intent to Participate in the Rural Empowerment Zone application process is submitted by the following participating entity:

Location of Nominated Area (list state and counties proposed to be included):

Name & Address of Participating Entity:

Contact & Phone Number, Fax Number and E-mail address:

Nominating Entity (check here if applicable)

Nominating Entity (if other than named above) (City, State):

Appendix C

The text of this Appendix which follows was provided by the U.S. Department of Health and Human Services:

(1) Background

This appendix includes general guidance about allowed uses of any Round II EZ/EC SSBG funds that may be made available for Round II Empowerment Zones (EZs). It is based on the assumption that any Round II EZ/EC SSBG funding will be subject to the same statutory restrictions as the Round I EZ/EC SSBG grants. The U.S. Department of Health and Human Services (HHS) will issue further guidance regarding any Round II EZ/EC SSBG funds soon after it is authorized to award the funds.

(2) Awards to States

(a) HHS will award Round II EZ/EC SSBG grants to each State that nominated a designated Round II EZ. HHS will award the funds for each Round II EZ to the State agency that typically receives Social Services Block Grants, unless the EZ Lead Entity and its State request HHS to award them to a different agency.

(b) The HHS Terms and Conditions of the Round II EZ/EC SSBG grants will direct the recipient State agency to provide the funds to the appropriate Round II EZ Lead Entity(ies) for activities specified in the EZ's strategic plan and benchmarks. It is expected that the EZs will revise their plans and benchmarks from time to time.

(3) Allowed Uses of Round II EZ/EC SSBG Funds

(a) The Round II EZs may use Round II EZ/EC SSBG funds for a wide variety of programs, services and activities directed at revitalizing distressed communities and promoting economic independence for residents. Allowed programs, services and activities include, but are not limited to:

- Community and economic development programs and efforts to create employment opportunities;

- Job training and job readiness projects;
- Health programs such as public health education, primary health care, emergency medical services, alcohol and substance abuse prevention and treatment programs, and mental health services;

- Human development services such as child, youth and family development programs, services for the elderly, and child care services;

- Education projects such as after-school activities, adult learning classes, and school-to-work projects;

- Transportation services;
- Environmental clean up programs;
- Policing and criminal justice projects

such as community policing efforts and youth gang prevention programs;

- Housing programs;
- Projects providing training and technical assistance to the EZ Lead Entity, its board and committee members, and other organizations; and

- Projects to finance community-focused financial institutions for enhancing the availability of credit such as loan funds, revolving loan funds, and micro-enterprise loan funds as well as other activities for easing financial barriers faced by social services entities, housing organizations and other organizations serving EZ residents.

(b) Round II EZs may use the Round II EZ/EC SSBG funds for projects supported in part with other federal, state, local or private funds, and they may allocate a portion of the funds to the State grantee agency for its administrative and grant oversight costs. Round II EZs may not use the funds as the source of local matching funds required for other federal grants.

(c) Round II EZs must ensure that each proposed use of Round II EZ/EC SSBG funds is: directed at one or more of the EZ/EC SSBG statutory goals; included in the strategic plan; structured to benefit EZ residents; and in compliance with all applicable federal, state and local laws and regulations.

(d) *EZ/EC SSBG Statutory Goals:* The statutory goals for uses of EZ/EC SSBG funds are as follows:

(1) Achieving and maintaining economic self-support for residents, to help them develop and retain the ability to support themselves and their families economically;

(2) Achieving and maintaining self-sufficiency for residents, to enable them to

become and remain able to care for themselves in daily activities and in the long-term; and

(3) Preventing Neglect and Abuse and Preserving Families, to protect children and adults, who are unable to protect themselves from neglect, abuse or exploitation, and to preserve, rehabilitate or reunite families living in the designated neighborhoods.

(e) *Strategic Plan:* All programs, services and activities financed in whole or in part with Round II EZ/EC SSBG funds must be included in the strategic plan and benchmarks. Each project description must indicate the EZ/EC SSBG statutory goal it is attempting to achieve and how it will benefit EZ residents.

(f) *Resident Benefit:* All programs, services and activities financed in whole or in part with Round II EZ/EC SSBG funds must be structured to benefit EZ residents; the programs, services and activities may also benefit nonresidents.

(g) *EZ/EC SSBG Statutory Program Options:* To the extent consistent with the local strategic vision, localities may use Round II EZ/EC SSBG funds to finance programs, services and activities for addressing any of the following broad statute-based "program options." EZs that use the funds for any of the program options will have more flexibility in uses of funds. (See section (h) below). The EZs are not required to use the funds for the program options, and may use Round II EZ/EC SSBG funds to finance programs, services and activities addressing other issues. The program options are as follows:

(1) To provide residential or nonresidential drug and alcohol prevention and treatment programs that offer comprehensive services for residents, particularly for pregnant women and mothers and their children;

(2) To support:

(A) Training and employment opportunities for disadvantaged adults and youths in construction, rehabilitation, or improvement of affordable housing, public infrastructure, and community facilities; and

(B) Nonprofit organizations such as community and junior colleges providing short-term training courses for disadvantaged adults and youths about entrepreneurship and self-employment, and other types of training that will promote individual self-sufficiency and the interests of the community.

(3) To support projects designed to promote and protect the interests of children and families outside of school hours, including keeping schools open during evenings and weekends for mentoring and study.

(4) To support:

(A) Services designed to promote community and economic development and job support services such as skills training, job counseling, transportation services, housing counseling, financial management, and business counseling;

(B) Emergency and transitional housing and shelters for families and individuals; or

(C) Programs that promote home ownership, education, and other routes to economic independence for families and individuals.

(h) To the extent a program, service or activity in the strategic plan and benchmark

document is a statutory program option listed in section (g) above, the EZ may use the Round II EZ/EC SSBG funds to implement that activity including to:

- (1) purchase or improve land or facilities;
- (2) make cash payments to individuals for subsistence or room and board;
- (3) make wage payments to individuals as a social service;
- (4) make cash payments for medical care; and
- (5) provide social services to institutionalized persons.

(i) To the extent a program, service or activity in the strategic plan and benchmark document is *not* a statutory program option listed in section (g) above, the EZ may use Round II EZ/EC SSBG funds for the following purposes as a component of that activity only after receiving approval from the U.S.

Department of Health and Human Services:

- (1) purchase or improve land or facilities;
- (2) make cash payments to individuals for subsistence or room and board;
- (3) make wage payments to individuals as a social service;
- (4) make cash payments for medical care; or
- (5) provide social services to institutionalized persons.

(j) To the extent a program, service or activity in the strategic plan and benchmark document is not one of the program options listed in section (g) above, the plan must include a statement explaining why the locality chose that project.

Appendix D

Counties (including other geographic areas, as applicable) which have demonstrated outmigration of not less than 15 percent over the period 1980–1994 as reported by the U.S. Bureau of the Census.

Alabama

Conecuh County
Dallas County
Greene County
Lowndes County
Macon County
Perry County
Wilcox County

Alaska

Aleutians West Census Area
Bristol Bay Borough
Southeast Fairbanks Census Area
Wade Hampton Census Area
Yukon-Koyukuk Census Area

Arizona

Greenlee County

Arkansas

Arkansas County
Chicot County
Desha County
Lee County
Mississippi County
Monroe County
Phillips County
St. Francis County
Woodruff County

Colorado

Baca County
Conejos County
Jackson County

Kiowa County
Lake County
Logan County
Mineral County
Moffat County
Otero County
San Juan County
Sedgwick County
Washington County

Florida

Hardee County

Georgia

Calhoun County
Early County
Miller County
Randolph County
Terrell County
Turner County

Idaho

Bear Lake County
Butte County
Caribou County
Clark County
Clearwater County
Elmore County
Shoshone County

Illinois

Alexander County
Mason County
Pulaski County
Stark County
Warren County

Indiana

Miami County

Iowa

Adams County
Audubon County
Buchanan County
Cherokee County
Chickasaw County
Clay County
Clinton County
Crawford County
Emmet County
Fayette County
Floyd County
Franklin County
Greene County
Grundy County
Hancock County
Humboldt County
Jackson County
Kossuth County
Lyon County
Osceola County
Palo Alto County
Pocahontas County
Shelby County
Webster County

Kansas

Barber County
Barton County
Decatur County
Doniphan County
Geary County
Gove County
Graham County
Haskell County
Jewell County
Morton County
Ness County
Osborne County

Rawlins County
Rice County
Rooks County
Rush County
Scott County
Sheridan County
Sherman County
Stanton County
Trego County
Wallace County
Wichita County

Kentucky

Bell County
Breathitt County
Floyd County
Fulton County
Hardin County
Harlan County
Leslie County
Letcher County
Martin County
Perry County
Pike County

Louisiana

Cameron Parish
Catahoula Parish
Concordia Parish
East Carroll Parish
Iberville Parish
Madison Parish
Morehouse Parish
Red River Parish
Richland Parish
St. Mary Parish
Tensas Parish
Vernon Parish

Maine

Aroostook County

Michigan

Iosco County
Luce County
Marquette County

Minnesota

Big Stone County
Cottonwood County
Faribault County
Freeborn County
Jackson County
Kittson County
Lac qui Parle County
Lake County
Lincoln County
Pennington County
Red Lake County
Redwood County
Renville County
Swift County
Traverse County
Wilkin County
Yellow Medicine County

Mississippi

Adams County
Bolivar County
Claiborne County
Coahoma County
Holmes County
Humphreys County
Issaquena County
Jefferson County
Leflore County
Noxubee County
Quitman County

Sharkey County
Sunflower County
Tallahatchie County
Tunica County
Warren County
Washington County
Yazoo County

Missouri

Knox County
Mississippi County
Pemiscot County
Pulaski County

Montana

Big Horn County
Carter County
Daniels County
Dawson County
Deer Lodge County
Fallon County
Garfield County
Hill County
Judith Basin County
Liberty County
McCone County
Meagher County
Petroleum County
Pondera County
Powder River County
Prairie County
Richland County
Roosevelt County
Rosebud County
Sheridan County
Toole County
Treasure County
Valley County
Wibaux County

Nebraska

Antelope County
Arthur County
Banner County
Blaine County
Boone County
Box Butte County
Boyd County
Brown County
Cedar County
Cuming County
Frontier County
Garden County
Grant County
Hayes County
Hitchcock County
Holt County
Hooker County
Keya Paha County
Kimball County
Knox County
Lincoln County
Logan County
Loup County
Morrill County
Nuckolls County
Red Willow County
Rock County
Sioux County
Stanton County
Thomas County
Thurston County
Wheeler County
New Mexico
Cibola County
Guadalupe County
Harding County

Lea County
McKinley County
Union County
North Dakota
Adams County
Benson County
Billings County
Bottineau County
Bowman County
Burke County
Cavalier County
Dickey County
Divide County
Dunn County
Eddy County
Emmons County
Foster County
Golden Valley County

Grant County
Griggs County
Hettinger County
Kidder County
LaMoure County
Logan County
McHenry County
McIntosh County
McKenzie County
McLean County
Mercer County
Mountrail County
Oliver County
Pembina County
Pierce County
Renville County
Sargent County
Sheridan County
Sioux County
Slope County
Stark County
Steele County
Stutsman County
Towner County
Walsh County
Ward County
Wells County
Williams County

Oklahoma

Beaver County
Blaine County
Cimarron County
Ellis County
Harmon County
Harper County
Jackson County
Kingfisher County
Major County
Roger Mills County
Texas County
Tillman County
Washita County
Woods County
Woodward County

Oregon

Harney County
Sherman County
Pennsylvania
Cameron County
South Carolina
Bamberg County
Dillon County
Marlboro County
South Dakota
Buffalo County

Campbell County
Corson County
Day County
Deuel County
Dewey County
Douglas County
Edmunds County
Faulk County
Gregory County
Haakon County
Hand County
Hanson County
Harding County
Hyde County
Jackson County
Jerauld County
Jones County
Lyman County
McPherson County
Mellette County
Perkins County
Potter County
Roberts County
Sanborn County
Shannon County
Spink County
Sully County
Walworth County
Ziebach County

Texas

Andrews County
Bailey County
Briscoe County
Brooks County
Castro County
Cochran County
Collingsworth County
Cottle County
Crane County
Crockett County
Crosby County
Culberson County
Dawson County
Deaf Smith County
Dickens County
Dimmit County
Fisher County
Floyd County
Foard County
Garza County
Glasscock County
Gray County
Hale County
Hall County
Hansford County
Hardeman County
Hemphill County
Hutchinson County
Jim Hogg County
Karnes County
Kenedy County
Kent County
King County
Kleberg County
Lamb County
Lipscomb County
Lynn County
Matagorda County
Motley County
Ochiltree County
Parmer County
Pecos County
Reagan County
Reeves County
Refugio County
Roberts County

Shackelford County
 Sherman County
 Stonewall County
 Sutton County
 Swisher County
 Terrell County
 Terry County
 Upton County
 Ward County
 Wheeler County
 Winkler County
 Yoakum County
 Zavala County
 Utah
 Carbon County
 Daggett County
 Duchesne County
 Emery County
 Grand County
 Rich County
 San Juan County
 Virginia
 Alleghany County
 Bath County
 Buchanan County
 Wise County
 Covington City
 Norton City
 West Virginia
 Boone County
 Clay County
 Fayette County
 Logan County
 McDowell County
 Mingo County
 Webster County
 Wetzel County
 Wyoming County
 Wyoming
 Big Horn County
 Carbon County
 Converse County
 Fremont County
 Hot Springs County
 Platte County
 Sweetwater County
 Washakie County
 Weston County

Appendix E—Form of Memorandum of Agreement; Rural Empowerment Zones and Enterprise Communities

This Agreement among the United States Department of Agriculture (USDA), the State of _____ and the Empowerment Zone Lead Entity relating to the Rural Empowerment Zone known as _____, is made pursuant to the Internal Revenue Code (title 26 of the United States Code) as amended by title IX of the Taxpayer Relief Act of 1997 and title XIII, subchapter C, part I of the Omnibus Budget Reconciliation Act of 1993.

In reliance upon and in consideration of the mutual representations and obligations herein contained herein, the applicable statute and part 25 to 7 CFR, USDA, the State and the Empowerment Zone agree as follows:

The Rural Empowerment Zone boundaries are as follows: Census Tracts _____, _____, _____ [as such boundaries may be modified] in accordance with maps provided in the application for designation. The term of the designation as a rural Empowerment Zone is effective from [designation date] to December 31, _____, unless sooner revoked.

The State and the Empowerment Zone agree to abide by the following:

1. The State and the Empowerment Zone will comply with the requirements title XIII, subchapter C, part I of the Omnibus Budget Reconciliation Act of 1993 as modified by the Taxpayer Relief Act of 1997, and the regulations appearing at 7 C.F.R. part 25 and any future regulations.

2. [if applicable] The State and the Empowerment Zone will comply with such further statutory, regulatory and contractual requirements as may be applicable to the receipt and expenditure of Social Services Block Grant funds, pursuant to title XX of the Social Security Act, currently administered by the Department of Health and Human Services.

3. The State and the Empowerment Zone will comply with all elements of the USDA approved application for designation, including the strategic plan, submitted to USDA pursuant to 7 C.F.R. part 25 ("strategic plan") and all assurances, certifications, schedules or other submissions made in support of the strategic plan or of this Agreement.

4. The State and the Empowerment Zone will submit with each 2-year workplan required under 7 C.F.R. § 25.403 documentation, in form and substance satisfactory to the Secretary, sufficient to identify baselines, benchmark goals, benchmark activities and timetables for the implementation of the strategic plan during the applicable 2 years of the workplan.

5. Pursuant to the strategic plan, the lead entity for the Empowerment Zone known as _____ [name of lead entity] _____, located at _____ [address] _____, is responsible for the implementation of the strategic plan. The current director of the lead entity, who is duly authorized to execute this agreement, is _____ [name] _____.

6. [if applicable] The use of EZ/EC title XX funds will be directed by the lead entity, in accordance with the strategic plan. The State will distribute the funds according to the directives of the lead entity, provided that such actions are consistent with the USDA approved strategic plan.

7. The lead entity agrees to timely comply with the reporting requirements contained in 7 C.F.R. part 25, including reporting on progress made in carrying out actions necessary to implement the requirements of the strategic plan and any assurances, certifications, schedules or other submissions made in connection with the designation.

8. The lead entity agrees to submit to periodic performance reviews by USDA in

accordance with the provisions of 7 C.F.R. §§ 25.402 and 25.404. Upon request by USDA, the lead entity will permit representatives of USDA to inspect and make copies of any records pertaining to matters covered by this Agreement.

9. Each year after the execution of this Agreement, the lead entity will submit updated documentation sufficient to identify baselines, benchmark goals and activities and timetables for the implementation of the strategic plan during the following 2 years. Upon written acceptance from USDA, such documentation shall become part of this Agreement and shall replace the documentation submitted previously, for purposes of operations during the following 2 years.

10. All benchmark goals, benchmark activities, baselines, and schedules approved by the Empowerment Zone after a full community participation process (which must be documented and which may be further amended or supplemented from time to time), will be incorporated as part of this Agreement. All references to the strategic plan in this memorandum of agreement shall be deemed to refer to the strategic plan as modified in accordance with this paragraph.

11. This Agreement shall be a part of the strategic plan.

12. Amendments to the strategic plan may be made only with the approval of the Empowerment Zone and USDA. The lead entity must demonstrate to USDA that the local governments within the Empowerment Zone were involved in the amendment process.

13. All attachments and submissions in accordance herewith are incorporated as part of this agreement.

This Agreement is dated _____.
 State Government: State of _____

By: _____ [official authorized to commit the state] _____

Title:

Address:

Empowerment Zone [Name of Empowerment Zone]

By: _____

Title:

Address:

Lead entity: [Name of Lead entity]

By: _____

Title:

Address:

Federal Government: United States
 Department of Agriculture

By: _____

Title:

Address:

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