

115TH CONGRESS
2D SESSION

H. R. 6467

To require the Secretary of Labor to establish a pilot program to provide grants for job guarantee programs.

IN THE HOUSE OF REPRESENTATIVES

JULY 23, 2018

Mrs. WATSON COLEMAN (for herself, Mr. KHANNA, Mr. THOMPSON of Mississippi, Ms. CLARKE of New York, Mr. HASTINGS, Ms. LEE, Mr. POCAN, Ms. KELLY of Illinois, Mrs. LAWRENCE, Mrs. BEATTY, Mr. BROWN of Maryland, Mr. CARSON of Indiana, Mr. CLAY, Mr. CLEAVER, Mr. CUMMINGS, Ms. FUDGE, Mr. AL GREEN of Texas, Mr. JEFFRIES, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. JOHNSON of Georgia, Ms. JACKSON LEE, Mr. LEWIS of Georgia, Mr. MCEACHIN, Ms. NORTON, Mr. PAYNE, Ms. PLASKETT, Mr. RUSH, Mr. DAVID SCOTT of Georgia, Mr. ELLISON, Mr. BRADY of Pennsylvania, Mr. GRIJALVA, Mr. SERRANO, and Mr. EVANS) introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committee on Ways and Means, 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

A BILL

To require the Secretary of Labor to establish a pilot program to provide grants for job guarantee programs.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Federal Jobs Guar-
3 antee Development Act of 2018”.

4 **SEC. 2. JOB GUARANTEE PILOT PROGRAM.**

5 (a) DEFINITIONS.—In this section:

6 (1) ELIGIBLE ENTITY.—The term “eligible enti-
7 ty” means an entity that—

8 (A) is a political subdivision of a State,
9 Tribal entity, or a combination of contiguous
10 political subdivisions or Tribal entities;

11 (B) has an unemployment rate that is not
12 less than 150 percent of the national unemploy-
13 ment rate, as determined by the Bureau of
14 Labor Statistics (except in the case of Tribal
15 entities which may submit their own employ-
16 ment data where no such Federal data is avail-
17 able for such entities) based on the most recent
18 data available at the time the Secretary solicits
19 applications for grants under this section; and

20 (C) submits an application in accordance
21 with subsection (d).

22 (2) JOB GUARANTEE PROGRAM.—The term
23 “job guarantee program” means a program that
24 meets the requirements of subsection (c).

1 (3) RURAL AREA.—The term “rural area”
2 means an area that is located outside of a metropoli-
3 tan statistical area.

4 (4) TRIBAL ENTITY.—The term “Tribal entity”
5 means an Indian tribe or tribal organization as such
6 terms are defined in section 4 of the Indian Self-De-
7 termination Act (25 U.S.C. 5304).

8 (5) SECRETARY.—The term “Secretary” means
9 the Secretary of Labor.

10 (b) ESTABLISHMENT.—

11 (1) IN GENERAL.—The Secretary shall establish
12 a pilot program to provide competitive grants to eli-
13 gible entities to establish programs to ensure that
14 any individual within the area served by the entity
15 who applies for a job through the program will be
16 provided with employment as provided for in this
17 section.

18 (2) TERMINATION.—A job guarantee program
19 established under a grant under this section shall
20 terminate on the earlier of—

21 (A) the end of the 3-year period beginning
22 on the date of the grant; or

23 (B) the date of any revocation of the
24 grantee as an eligible entity.

1 (c) **JOB GUARANTEE PROGRAMS.**—A job guarantee
2 program meets the requirements of this subsection if the
3 jobs provided under such program—

4 (1) are available to all individuals who—

5 (A) are 18 years of age or older; and

6 (B) reside in the area served under the
7 program;

8 except that participants in the program may be dis-
9 ciplined, released, or suspended from further partici-
10 pation in jobs under this program if they are found
11 to be negligent, or generally disruptive to the work-
12 place involved under procedures established by the
13 Secretary that provide for an opportunity for a re-
14 view of such determinations;

15 (2) are, with respect to individual participants,
16 included as part of an established bargaining unit
17 and covered by any applicable collective bargaining
18 agreement in effect if similarly situated employees
19 part of such unit and represented by an exclusive
20 bargaining representative;

21 (3) are available for the duration of the pilot
22 program;

23 (4) provide a wage of not less than the greater
24 of—

1 (A) the hourly wage provided for under the
2 provisions of S. 1242 (115th Congress, as in-
3 troduced);

4 (B) the prevailing wage in the area in-
5 volved for a similar job as required by chapter
6 67 of title 41, United States Code, and other
7 related laws; or

8 (C) the applicable wage under an applica-
9 ble collective bargaining agreement as provided
10 for under paragraph (2);

11 (5) provide for coverage of the worker under a
12 health insurance program that is comparable to that
13 offered to Federal employees under the Federal Em-
14 ployee Health Benefits Program; and

15 (6) provide, at a minimum—

16 (A) paid family leave consistent with the
17 provisions of S. 337 (115th Congress, as intro-
18 duced) and applicable State law; and

19 (B) paid sick leave consistent with the pro-
20 vision of S. 636 (115th Congress, as intro-
21 duced) and applicable State law.

22 (d) APPLICATIONS.—An eligible entity seeking a
23 grant under this section shall submit an application to the
24 Secretary at such time, in such manner, and containing

1 such information as the Secretary may require. Such ap-
2 plication shall include—

3 (1) a description of the geographic area and
4 population that the entity intends to serve under the
5 job guarantee program established under the grant,
6 including the area unemployment rate, poverty rate,
7 vacancy rate, crime rate, household income, home-
8 ownership rate, labor force participation, and edu-
9 cational attainment;

10 (2) to extent practicable, a description of the
11 jobs that will be performed under the job guarantee
12 program;

13 (3) the need in the area for jobs to be per-
14 formed, including for jobs designated as a priority
15 by the Secretary;

16 (4) a description of State, local, or philan-
17 thropic funding, including through coordination and
18 in-kind or non-financial support, if any, that will be
19 provided to assist in carrying out the job guarantee
20 program;

21 (5) an assurance that the eligible entity will es-
22 tablish—

23 (A) a public internet website, in conjunc-
24 tion with the Secretary, to post all available
25 jobs under the job guarantee program; and

1 (B) a process for individuals to apply for
2 such jobs;

3 (6) a comprehensive plan to describe how the
4 funding under the program will leverage existing or
5 anticipated local, State, and Federal funding;

6 (7) an assurance that necessary administrative
7 data systems and information technology infrastruc-
8 ture are available, or will be available, to provide for
9 full participation in the evaluation under subsection
10 (k); and

11 (8) an assurance that the entity will enter into
12 an allocation agreement with the Secretary under
13 subsection (j)(2)(A).

14 (e) SELECTION.—The Secretary shall award grants
15 under this section to not more than 15 eligible entities.
16 In awarding such grants, the Secretary shall ensure that
17 not less than—

18 (1) 4 such entities serve predominantly rural
19 areas under the grant;

20 (2) 6 such entities serve predominantly urban
21 areas under the grant;

22 (3) 1 such entity serve in each of the 6 regions
23 served by the Regional Offices of the Employment
24 and Training Administration; and

25 (4) 1 such entity shall be a Tribal entity.

1 (f) AMOUNT OF GRANT.—

2 (1) ESTABLISHMENT OF FUND.—There is es-
3 tablished in the Treasury of the United States a sep-
4 arate account to be known as the “Job Guarantee
5 Program Trust Fund” (referred to in this section as
6 the “Fund”), consisting of—

7 (A) amounts deposited in the Fund under
8 subsection (1); and

9 (B) any interest earned on investment of
10 amounts in the Fund.

11 (2) USE OF AMOUNTS.—The Secretary shall use
12 amounts in the Fund to make payments to grantees
13 under grants under this section in accordance with
14 paragraph (3).

15 (3) PAYMENTS.—

16 (A) IN GENERAL.—The Secretary shall de-
17 termine the annual amount of a grant under
18 this section based on a formula to be developed
19 by the Secretary.

20 (B) PAYMENTS.—The Secretary shall
21 make payments to grantees under this section
22 in a manner determined appropriate by the Sec-
23 retary. The Secretary shall not make subse-
24 quent payments to a grantee after the initial
25 payment until the grantee certifies to the Sec-

1 retary that the grantee has expended, trans-
2 ferred, or obligated not less than 80 percent of
3 the most recent payment made under this sub-
4 section.

5 (g) LIMITATIONS.—An eligible entity may not use
6 amounts received under a grant under this section to—

7 (1) employ individuals who will replace, or lead
8 to the displacement of, existing employees, positions,
9 or individuals who would otherwise perform similar
10 employment;

11 (2) perform functions otherwise prohibited by
12 Federal, State, or local laws; and

13 (3) carry out other prohibited activities, as de-
14 termined by the Secretary.

15 (h) FEDERAL PROVISION OF JOBS IN PILOT
16 SITES.—

17 (1) GUIDANCE.—Not later than 30 days after
18 the date on which the Secretary awards the first
19 grant under this section, the Secretary shall—

20 (A) provide guidance to the heads of ap-
21 propriate Federal agencies to notify such agen-
22 cies of job guarantee programs established
23 under such grants; and

24 (B) request that such agencies notify the
25 Secretary, within 30 days of the date on which

1 the guidance is received under paragraph (1),
2 of the number and types of jobs that such agen-
3 cy would make available through each of the
4 programs.

5 (2) APPLICATION OF PROVISIONS.—The re-
6 quirements of subsection (c) relating to wages and
7 benefits provided to participants in jobs provided
8 under job guarantee programs, and the limitations
9 in subsection (g), shall apply to Federal agencies
10 and jobs provided under this subsection, except that
11 a Federal agency shall employ each individual under
12 this subsection for up to 3 years.

13 (3) LISTING OF JOBS ON WEBSITE.—The Sec-
14 retary shall establish procedures to ensure that jobs
15 identified under paragraph (1)(B) are listed on the
16 appropriate public internet website as provided for
17 under subsection (d)(5)(A).

18 (4) REIMBURSEMENT.—At the end of each fis-
19 cal year, the Secretary shall transfer from the Fund
20 to each Federal agency that employs individuals
21 under a job guarantee program under this section,
22 an amount necessary to reimburse such agency for
23 the cost of employing each such individual during
24 such fiscal year.

25 (i) TRAINING.—

1 (1) IN GENERAL.—The Secretary shall develop
2 procedures to support up to 8 weeks of paid training
3 (through publicly or privately financed training pro-
4 grams) to participants in job guarantee programs
5 under this section, including a new period of train-
6 ing, not to exceed 8 weeks, prior to commencing any
7 new job under the program.

8 (2) SPECIFIC POPULATIONS.—With respect to
9 certain populations, as determined by the Secretary
10 to include the long-term unemployed and formerly
11 incarcerated individuals, the 8-week training period
12 may include specific job-related training and coun-
13 seling and other general skills training to prepare
14 such individuals to reenter the workforce.

15 (j) PRIORITIES AND AUDITS.—

16 (1) PRIORITIES.—Prior to awarding the initial
17 grants under this section, the Secretary shall issue
18 a list of national job priorities relating to jobs to be
19 carried out under job guarantee programs, that shall
20 include child care, care for seniors and individuals
21 with disabilities, infrastructure activities.

22 (2) AUDITS.—

23 (A) IN GENERAL.—The Secretary, acting
24 through the Inspector General of the Depart-
25 ment of Labor, shall carry out annual audits of

1 the use of grant funds provided to eligible enti-
2 ties under this section.

3 (B) ALLOCATION AGREEMENTS AND MIS-
4 USE OF FUNDS.—

5 (i) ALLOCATION AGREEMENTS.—An
6 eligible entity shall enter into an allocation
7 agreement with the Secretary that shall
8 provide that the Secretary shall recoup any
9 amounts paid to the entity under a grant
10 under this section if the results of an audit
11 under subparagraph (A) include a finding
12 that there was an intentional or reckless
13 misuse of such funds by such entity.

14 (ii) LOSS OF ELIGIBILITY.—An eligi-
15 ble entity that is determined to have fal-
16 sified or otherwise misstated data in any
17 report submitted to the Secretary with the
18 intent to deceive or mislead the Secretary
19 shall be ineligible to receive additional
20 funds under this section.

21 (k) EVALUATION.—The Chief Evaluation Officer at
22 the Department of Labor shall provide for the conduct of
23 an evaluation of the pilot program, using a rigorous design
24 and evaluation methods to assess the implementation of
25 the programs and their impact on—

- 1 (1) employment;
- 2 (2) private sector employment, including wages
- 3 and benefits;
- 4 (3) poverty rate;
- 5 (4) safety net and other Federal spending in
- 6 the area served by the program;
- 7 (5) child health and educational outcomes;
- 8 (6) health and well-being of those with mental,
- 9 emotional, and behavioral health needs;
- 10 (7) incarceration rates; and
- 11 (8) other economic development and individual
- 12 outcome indicators, as determined by the Secretary.

13 (l) EXPANSION OF WORK OPPORTUNITY CREDIT TO
14 INCLUDE PARTICIPANTS IN JOB GUARANTEE PRO-
15 GRAMS.—

16 (1) IN GENERAL.—Subsection (d) of section 51
17 of the Internal Revenue Code of 1986 is amended—

18 (A) in paragraph (1)—

19 (i) in subparagraph (I), by striking
20 “or” at the end;

21 (ii) in subparagraph (J), by striking
22 the period at the end and inserting “, or”;
23 and

24 (iii) by adding at the end the fol-
25 lowing new subparagraph:

1 “(K) a qualified participant in a job guar-
2 antee program.”; and

3 (B) by adding at the end the following new
4 paragraph:

5 “(16) QUALIFIED PARTICIPANT IN A JOB GUAR-
6 ANTEE PROGRAM.—The term ‘qualified participant
7 in a job guarantee program’ means any individual
8 who is certified by the designated local agency as
9 having participated in a job guarantee program
10 under section 2 of the Federal Jobs Guarantee De-
11 velopment Act of 2018 for not less than 3 months
12 during the 6-month period ending on the hiring
13 date.”.

14 (2) EFFECTIVE DATE.—The amendments made
15 by this subsection shall apply to individuals who
16 begin work for the employer after December 31,
17 2018.

18 (m) APPROPRIATIONS.—From funds in the Treasury
19 not otherwise appropriated, there are appropriated to the
20 Secretary such sums as may be necessary to carry out this
21 section.

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