

115TH CONGRESS  
2D SESSION

# S. 2746

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

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IN THE SENATE OF THE UNITED STATES

APRIL 25, 2018

Mr. BOOKER (for himself, Mrs. GILLIBRAND, Mr. MERKLEY, Ms. HARRIS, and Ms. WARREN) introduced the following bill; which was read twice and referred to the Committee on Finance

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## 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,*

3 **SECTION 1. SHORT TITLE.**

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

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

7 (a) DEFINITIONS.—In this section:

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

1 (A) is a political subdivision of a State,  
2 Tribal entity, or a combination of contiguous  
3 political subdivisions or Tribal entities;

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

13 (C) submits an application in accordance  
14 with subsection (d).

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

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

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

1           (5) SECRETARY.—The term “Secretary” means  
2 the Secretary of Labor.

3           (b) ESTABLISHMENT.—

4           (1) IN GENERAL.—The Secretary shall establish  
5 a pilot program to provide competitive grants to eli-  
6 gible entities to establish programs to ensure that  
7 any individual within the area served by the entity  
8 who applies for a job through the program will be  
9 provided with employment as provided for in this  
10 section.

11           (2) TERMINATION.—A job guarantee program  
12 established under a grant under this section shall  
13 terminate on the earlier of—

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

16                   (B) the date of any revocation of the  
17                   grantee as an eligible entity.

18           (c) JOB GUARANTEE PROGRAMS.—A job guarantee  
19 program meets the requirements of this subsection if the  
20 jobs provided under such program—

21           (1) are available to all individuals who—

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

23                   (B) reside in the area served under the  
24                   program;

1       except that participants in the program may be dis-  
2       ciplined, released, or suspended from further partici-  
3       pation in jobs under this program if they are found  
4       to be negligent, or generally disruptive to the work-  
5       place involved under procedures established by the  
6       Secretary that provide for an opportunity for a re-  
7       view of such determinations;

8               (2) are, with respect to individual participants,  
9       included as part of an established bargaining unit  
10      and covered by any applicable collective bargaining  
11      agreement in effect if similarly situated employees  
12      part of such unit and represented by an exclusive  
13      bargaining representative;

14              (3) are available for the duration of the pilot  
15      program;

16              (4) provide a wage of not less than the greater  
17      of—

18                      (A) the hourly wage provided for under the  
19                      provisions of S. 1242 (115th Congress, as in-  
20                      troduced);

21                      (B) the prevailing wage in the area in-  
22                      volved for a similar job as required by chapter  
23                      67 of title 41, United States Code, and other  
24                      related laws; or

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

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

8 (6) provide, at a minimum—

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

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

15 (d) APPLICATIONS.—An eligible entity seeking a  
16 grant under this section shall submit an application to the  
17 Secretary at such time, in such manner, and containing  
18 such information as the Secretary may require. Such ap-  
19 plication shall include—

20 (1) a description of the geographic area and  
21 population that the entity intends to serve under the  
22 job guarantee program established under the grant,  
23 including the area unemployment rate, poverty rate,  
24 vacancy rate, crime rate, household income, home-

1 ownership rate, labor force participation, and edu-  
2 cational attainment;

3 (2) to extent practicable, a description of the  
4 jobs that will be performed under the job guarantee  
5 program;

6 (3) the need in the area for jobs to be per-  
7 formed, including for jobs designated as a priority  
8 by the Secretary;

9 (4) a description of State, local, or philan-  
10 thropic funding, including through coordination and  
11 in-kind or non-financial support, if any, that will be  
12 provided to assist in carrying out the job guarantee  
13 program;

14 (5) an assurance that the eligible entity will es-  
15 tablish—

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

19 (B) a process for individuals to apply for  
20 such jobs;

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

24 (7) an assurance that necessary administrative  
25 data systems and information technology infrastruc-

1       ture are available, or will be available, to provide for  
2       full participation in the evaluation under subsection  
3       (k); and

4               (8) an assurance that the entity will enter into  
5       an allocation agreement with the Secretary under  
6       subsection (j)(2)(A).

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

11             (1) 4 such entities serve predominantly rural  
12      areas under the grant;

13             (2) 6 such entities serve predominantly urban  
14      areas under the grant;

15             (3) 1 such entity serve in each of the 6 regions  
16      served by the Regional Offices of the Employment  
17      and Training Administration; and

18             (4) 1 such entity shall be a Tribal entity.

19       (f) AMOUNT OF GRANT.—

20             (1) ESTABLISHMENT OF FUND.—There is es-  
21      tablished in the Treasury of the United States a sep-  
22      arate account to be known as the “Job Guarantee  
23      Program Trust Fund” (referred to in this section as  
24      the “Fund”), consisting of—

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

3 (B) any interest earned on investment of  
4 amounts in the Fund.

5 (2) USE OF AMOUNTS.—The Secretary shall use  
6 amounts in the Fund to make payments to grantees  
7 under grants under this section in accordance with  
8 paragraph (3).

9 (3) PAYMENTS.—

10 (A) IN GENERAL.—The Secretary shall de-  
11 termine the annual amount of a grant under  
12 this section based on a formula to be developed  
13 by the Secretary.

14 (B) PAYMENTS.—The Secretary shall  
15 make payments to grantees under this section  
16 in a manner determined appropriate by the Sec-  
17 retary. The Secretary shall not make subse-  
18 quent payments to a grantee after the initial  
19 payment until the grantee certifies to the Sec-  
20 retary that the grantee has expended, trans-  
21 ferred, or obligated not less than 80 percent of  
22 the most recent payment made under this sub-  
23 section.

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

1           (1) employ individuals who will replace, or lead  
2           to the displacement of, existing employees, positions,  
3           or individuals who would otherwise perform similar  
4           employment;

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

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

9           (h) FEDERAL PROVISION OF JOBS IN PILOT  
10          SITES.—

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

14                   (A) provide guidance to the heads of ap-  
15                   propriate Federal agencies to notify such agen-  
16                   cies of job guarantee programs established  
17                   under such grants; and

18                   (B) request that such agencies notify the  
19                   Secretary, within 30 days of the date on which  
20                   the guidance is received under paragraph (1),  
21                   of the number and types of jobs that such agen-  
22                   cy would make available through each of the  
23                   programs.

24           (2) APPLICATION OF PROVISIONS.—The re-  
25           quirements of subsection (c) relating to wages and

1 benefits provided to participants in jobs provided  
2 under job guarantee programs, and the limitations  
3 in subsection (g), shall apply to Federal agencies  
4 and jobs provided under this subsection, except that  
5 a Federal agency shall employ each individual under  
6 this subsection for up to 3 years.

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

12 (4) REIMBURSEMENT.—At the end of each fis-  
13 cal year, the Secretary shall transfer from the Fund  
14 to each Federal agency that employs individuals  
15 under a job guarantee program under this section,  
16 an amount necessary to reimburse such agency for  
17 the cost of employing each such individual during  
18 such fiscal year.

19 (i) TRAINING.—

20 (1) IN GENERAL.—The Secretary shall develop  
21 procedures to support up to 8 weeks of paid training  
22 (through publicly or privately financed training pro-  
23 grams) to participants in job guarantee programs  
24 under this section, including a new period of train-

1 ing, not to exceed 8 weeks, prior to commencing any  
2 new job under the program.

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

10 (j) PRIORITIES AND AUDITS.—

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

17 (2) AUDITS.—

18 (A) IN GENERAL.—The Secretary, acting  
19 through the Inspector General of the Depart-  
20 ment of Labor, shall carry out annual audits of  
21 the use of grant funds provided to eligible enti-  
22 ties under this section.

23 (B) ALLOCATION AGREEMENTS AND MIS-  
24 USE OF FUNDS.—

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

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

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

22 (1) employment;

23 (2) private sector employment, including wages  
24 and benefits;

25 (3) poverty rate;

1 (4) safety net and other Federal spending in  
2 the area served by the program;

3 (5) child health and educational outcomes;

4 (6) health and well-being of those with mental,  
5 emotional, and behavioral health needs;

6 (7) incarceration rates; and

7 (8) other economic development and individual  
8 outcome indicators, as determined by the Secretary.

9 (I) EXPANSION OF WORK OPPORTUNITY CREDIT TO  
10 INCLUDE PARTICIPANTS IN JOB GUARANTEE PRO-  
11 GRAMS.—

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

14 (A) in paragraph (1)—

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

17 (ii) in subparagraph (J), by striking  
18 the period at the end and inserting “, or”;

19 and

20 (iii) by adding at the end the fol-  
21 lowing new subparagraph:

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

24 (B) by adding at the end the following new  
25 paragraph:

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

10           (2) EFFECTIVE DATE.—The amendments made  
11 by this subsection shall apply to individuals who  
12 begin work for the employer after December 31,  
13 2018.

14           (m) APPROPRIATIONS.—From funds in the Treasury  
15 not otherwise appropriated, there are appropriated to the  
16 Secretary such sums as may be necessary to carry out this  
17 section.

○