

112<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4277

To establish the National Full Employment Trust Fund to create employment opportunities for the unemployed.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 28, 2012

Mr. CONYERS 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

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## A BILL

To establish the National Full Employment Trust Fund to create employment opportunities for the unemployed.

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 shall be cited as the “Humphrey-Hawkins  
5 21st Century Full Employment and Training Act of  
6 2012”.

7 **SEC. 2. FINDINGS AND PURPOSE.**

8        (a) FINDINGS.—The Congress finds the following:

1           (1) The Full Employment and Balanced  
2           Growth Act of 1978 established an interim 5-year  
3           target of 3 percent unemployment for individuals 20  
4           years of age and older, and 4 percent for individuals  
5           age 16 and over within 5 years, with full employ-  
6           ment to be achieved “as soon as practicable” there-  
7           after.

8           (2) The Federal Government has previously es-  
9           tablished full employment as a national goal in na-  
10          tional legislation, including the Employment Act of  
11          1946 and the Full Employment and Balanced  
12          Growth Act of 1978.

13          (3) Pursuant to these Acts, the Congress de-  
14          clared it is the continuing policy and responsibility  
15          of the Federal Government to use all practicable  
16          means to create and maintain conditions which pro-  
17          mote useful employment opportunities for all who  
18          seek them, including the self-employed. Pursuant to  
19          these Acts, the Congress declared and established as  
20          a national goal the fulfillment of the right to full op-  
21          portunities for useful paid employment at fair rates  
22          of compensation of all individuals able, willing, and  
23          seeking to work.

24          (4) The Nation has suffered substantial unem-  
25          ployment and underemployment, and idleness of pro-

1 ductive resources over prolonged periods of time, im-  
2 posing numerous economic and social costs on the  
3 Nation.

4 (5) The Nation has been deprived of the full  
5 supply of goods and services, the full utilization of  
6 labor and capital resources, and the related increases  
7 in economic well-being that would occur under condi-  
8 tions of genuine full employment.

9 (6) The current output of goods and services is  
10 insufficient to meet pressing national priorities for  
11 infrastructure, transportation, energy, education,  
12 health care, child and elder care, and many other  
13 necessary public and human services.

14 (7) Unemployment and underemployment ex-  
15 pose many workers and families to significant, so-  
16 cial, psychological and physiological costs, including  
17 disruption of family life, the loss of individual dig-  
18 nity and self-respect, and the aggravation of physical  
19 and psychological illnesses.

20 (8) Persisting unemployment and underemploy-  
21 ment have devastating financial consequences, re-  
22 sulting in the loss of income and spending power for  
23 families, and interfering with their ability to save  
24 and accumulate assets for a secure family life and  
25 retirement. High levels of unemployment and inad-

1 equate consumer demand also contribute to poor  
2 conditions for retail businesses, manufacturers and  
3 many other firms to grow and prosper. In the real  
4 estate sector, the Congress finds that continuing  
5 high levels of unemployment contribute to fore-  
6 closures, evictions, and commercial vacancies, under-  
7 mining the quality of neighborhood and community  
8 life, and hampering prospects for economic recovery  
9 and national prosperity.

10 (9) The historic promise of this earlier legisla-  
11 tion has not been fully realized, and we re-declare  
12 and reaffirm our support for achieving a national  
13 goal of jobs for all at living wages.

14 (10) The United States has a duty under Arti-  
15 cles 55 and 56 of the United Nations Charter to  
16 promote “full employment” and the “universal re-  
17 spect for, and observance of, human rights and fun-  
18 damental freedoms for all without distinction as to  
19 race, sex, language, or religion”. The human rights  
20 the United States has a duty to promote pursuant  
21 to this obligation are set forth in the Universal Dec-  
22 laration of Human Rights. Article 23 of the Uni-  
23 versal Declaration states that “Everyone has the  
24 right to work” and to “just and favorable remunera-  
25 tion” that insures for his or her family “an existence

1       worthy of human dignity, and supplemented, if nec-  
2       essary, by other means of social protection”.

3           (11) The Congress has a strong interest in  
4       seeking the progressive reduction and elimination of  
5       job disparities among groups of workers who experi-  
6       ence chronically higher rates of unemployment and  
7       underemployment.

8           (12) Even at the top of the business cycle, when  
9       national unemployment rates drop to the 4 percent  
10      to 5 percent range, job vacancy surveys show that  
11      the economy does not provide enough jobs to employ  
12      everyone who wants to work. Reliance on direct job  
13      creation to close the economy’s job gap is especially  
14      important at such times, because it provides a  
15      means of creating additional jobs without adding  
16      significantly to inflationary pressures, a very dif-  
17      ficult goal to achieve at the top of the business cycle  
18      via macroeconomic policy interventions.

19          (13) The Congress intends to maximize the cre-  
20      ation of private, public and nonprofit sector jobs  
21      through improved use of general economic and struc-  
22      tural policies, including measures to encourage pri-  
23      vate sector investment and capital formation; an in-  
24      creased public investment in research and develop-  
25      ment, infrastructure, energy, education, public serv-

1       ices and the environment, and other essential goods  
2       and services.

3       (b) PURPOSE.—It is the purpose of the Humphrey  
4 Hawkins 21st Century Full Employment and Training  
5 Act to expedite progress to fulfill the right to useful work  
6 at living wages for all persons seeking employment, as  
7 promptly as possible and at the earliest practicable date  
8 by establishing a Full Employment Trust Fund to fund  
9 and operate a national program of public service employ-  
10 ment and to provide additional labor market opportunities  
11 to complement those offered by the existing private, pub-  
12 lic, and nonprofit sectors.

13 **SEC. 3. DEFINITIONS.**

14       In this Act the following definitions apply:

15           (1) INDIAN TRIBE.—The term “Indian tribe”  
16       has the meaning given such term in section 102(17)  
17       of the Housing and Community Development Act  
18       (42 U.S.C. 5302(17)).

19           (2) SECRETARY.—The term “Secretary” means  
20       the Secretary of Labor.

21           (3) SMALL BUSINESS.—The term “small busi-  
22       ness” has the meaning given the term “small busi-  
23       ness concern” under section 3 of the Small Business  
24       Act (15 U.S.C. 632).

1           (4) STATE.—The term “State” has the mean-  
2           ing given such term in section 102(2) of the Hous-  
3           ing and Community Development Act (42 U.S.C.  
4           5302(2)).

5           (5) TRUST FUND.—The term “Trust Fund” re-  
6           fers to the Full Employment Trust Fund established  
7           under section 4.

8           (6) UNIT OF GENERAL LOCAL GOVERNMENT.—  
9           The term “unit of general local government” has the  
10          meaning given such term in section 102(1) of the  
11          Housing and Community Development Act (42  
12          U.S.C. 5302(1)).

13          (7) URBAN COUNTY.—The term “urban coun-  
14          ty” has the meaning given such term in section  
15          102(6) of the Housing and Community Development  
16          Act (42 U.S.C. 5302(6)).

17 **SEC. 4. ESTABLISHMENT OF FULL EMPLOYMENT NATIONAL**  
18 **TRUST FUND.**

19          (a) IN GENERAL.—The Secretary shall establish a  
20          Full Employment National Trust Fund (in this Act re-  
21          ferred to as the “Trust Fund”) for the purposes of—

22                (1) providing funding for the Employment Op-  
23                portunity Grants established in section 5; and

1           (2) issuing funds to the Secretary to fund pro-  
2           grams under the Workforce Investment Act of 1998  
3           (29 U.S.C. 2801 et seq.).

4           (b) FINANCING THE TRUST FUND.—Subject to the  
5           availability of appropriations for this purpose, the Sec-  
6           retary of the Treasury shall annually make available to  
7           the Secretary of Labor for deposit into the Trust Fund  
8           an amount equal to the amount collected for that year  
9           through the tax described in section 4475 of the Internal  
10          Revenue Code of 1986, as added by section 8.

11          (c) LOANS FROM THE FEDERAL RESERVE SYS-  
12          TEM.—

13           (1) IN GENERAL.—If the amount available in  
14           the Trust Fund for allocation under section 5 is in-  
15           sufficient to prevent the national unemployment rate  
16           from rising more than one full percentage during a  
17           fiscal year in which the national unemployment rate  
18           is increasing, the Board of Governors of the Federal  
19           Reserve System shall lend such additional amounts  
20           to the Trust Fund as are necessary to allow the Sec-  
21           retary of Labor to make such additional allocations  
22           under section 5 as are necessary to restore the na-  
23           tional unemployment rate to its allowable 1 percent  
24           range of upward variation.



1           (2) REPAYMENT.—Amounts lent to the Trust  
2           Fund by the Board of Governors of the Federal Re-  
3           serve System under paragraph (1) shall be repaid by  
4           the Trust Fund over 10 years, with interest payable  
5           at the same average rate the Federal Government  
6           contracts to pay on 10-year bonds sold during the  
7           period beginning 45 days prior to the date the loans  
8           were made to the Trust Fund and ending 45 days  
9           following such date.

10          (d) SEPARATE TRUST FUND ACCOUNTS.—The Trust  
11          Fund shall consist of 2 separate accounts as follows:

12               (1) One account shall consist of 67 percent of  
13               the funds made available for deposit under sub-  
14               section (b) and shall be for the Employment Oppor-  
15               tunity Grants established in section 5.

16               (2) The other account shall consist of 33 per-  
17               cent of the funds made available for deposit under  
18               subsection (b) and shall be available to the Secretary  
19               to fund programs under the Workforce Investment  
20               Act of 1998 (29 U.S.C. 2801 et seq.).

21          (e) WEB SITE.—The Secretary shall establish an  
22          Internet Web site to serve as an information clearinghouse  
23          for job training and employment opportunities funded by  
24          the Trust Fund.

1 (f) TRAINING STIPEND.—The Secretary shall pro-  
2 mulgate regulations to encourage entities that receive  
3 funds under programs under the Workforce Investment  
4 Act of 1998 (20 U.S.C. 2801 et seq.) that are funded by  
5 the account described in subsection (c)(2) to, whenever  
6 possible, establish a training stipend for individuals who  
7 participate in such programs.

8 **SEC. 5. EMPLOYMENT OPPORTUNITY GRANTS TO STATES,**  
9 **LOCAL GOVERNMENTS, AND INDIAN TRIBES.**

10 (a) EMPLOYMENT GRANTS CONTINGENT ON LEVEL  
11 OF UNEMPLOYMENT.—

12 (1) FIRST YEAR.—Subject to the availability of  
13 funds in the Trust Fund for activities under this  
14 section, if, at the beginning of a month in the first  
15 fiscal year for which funds are available in the Trust  
16 Fund for activities under this section, the United  
17 States has unemployment according to the most re-  
18 cent monthly publications of the Bureau of Labor  
19 Statistics of the Department of Labor, the Secretary  
20 shall make grants for such month to States, unit of  
21 general local governments, or Indian tribes to carry  
22 out activities in accordance with this section. The  
23 total amount awarded under this paragraph for such  
24 fiscal year shall not exceed 90 percent of the funds  
25 available in the Trust Fund for such fiscal year.

1           (2) SUCCEEDING YEARS.—Subject to the avail-  
2           ability of funds in the Trust Fund for activities  
3           under this section, if, at the beginning of a fiscal  
4           year subsequent to the fiscal year described in para-  
5           graph (1), the United States has unemployment ac-  
6           cording to the most recent monthly publications of  
7           the Bureau of Labor Statistics of the Department of  
8           Labor, the Secretary shall make grants for such fis-  
9           cal year to States, units of general local government,  
10          Indian tribes, or community-based organizations to  
11          carry out activities in accordance with this section.  
12          The total amount awarded under this paragraph for  
13          a fiscal year shall not exceed 90 percent of the funds  
14          available in the Trust Fund for such fiscal year.

15          (b) PURPOSE.—Grants made under this section shall  
16          be for creating employment opportunities for unemployed  
17          and underemployed individuals in activities designed to  
18          address community needs and reduce disparities in health,  
19          housing, education, job readiness, and public infrastruc-  
20          ture that have impeded these communities from realizing  
21          their full economic potential.

22          (c) USE OF FUNDS.—A recipient of a grant under  
23          this section shall use the grant for the following purposes:

24                  (1) Construction, re-construction, rehabilitation,  
25                  and site improvements of residences or public facili-

1 ties, including improvements in the energy efficiency  
2 or environmental quality of such public facilities or  
3 residences.

4 (2) Provision of human services, including child  
5 care services, health care services, education, or rec-  
6 reational programs.

7 (3) The remediation and demolition of vacant  
8 and abandoned properties to eliminate blight.

9 (4) Programs that provide disadvantaged youth  
10 with opportunities for employment, education, lead-  
11 ership development, entrepreneurial skills develop-  
12 ment, and training.

13 (5) The painting and repair of schools, commu-  
14 nity centers, and libraries.

15 (6) The restoration and revitalization of aban-  
16 doned and vacant properties to alleviate blight in  
17 distressed and foreclosure-affected areas of a unit of  
18 general local government.

19 (7) The expansion of emergency food programs  
20 to reduce hunger and promote family stability.

21 (8) The augmentation of staffing in Head  
22 Start, child care, and other early childhood edu-  
23 cation programs to promote school readiness and  
24 early literacy.

1           (9) The renovation and enhancement of mainte-  
2 nance of parks, playgrounds, and other public  
3 spaces.

4           (10) Supplemental labor for existing federally  
5 or State-funded infrastructure projects.

6           (11) Supplemental labor for existing federally  
7 or State-funded projects aimed at expanding access  
8 to broadband or wireless Internet service.

9           (12) Other activities that address public needs  
10 and which can be implemented as quickly as the ac-  
11 tivities described in paragraphs (1) through (11).

12         (d) CONSULTATION REQUIRED.—Each grant recipi-  
13 ent shall consult with community leaders, including labor  
14 organizations, nonprofit community-based organizations,  
15 local government officials, and local residents to—

16           (1) assess the needs of the community served  
17 by the grant recipient;

18           (2) determine sectors of the local economy that  
19 are in need of employees;

20           (3) make recommendations for new employment  
21 opportunities in the areas described in subsection  
22 (c); and

23           (4) assess the effectiveness of job placements  
24 made under this Act.

1 (e) CONDITIONS.—As a condition of receiving a grant  
2 under this section, a grant recipient shall—

3 (1) agree to comply with the nondiscrimination  
4 policy set forth under section 109 of the Housing  
5 and Community Development Act of 1974 (42  
6 U.S.C. 5309);

7 (2) with respect to the funds allocated for each  
8 project funded under the grant—

9 (A) allocate not less than 80 percent for  
10 wages, benefits, and support services, including  
11 child care services, for individuals, including su-  
12 pervisory and management personnel, employed  
13 on such project; and

14 (B) allocate the remaining funds to defray  
15 the nonlabor costs of the project, including nec-  
16 essary capital goods, supplies, materials, rental  
17 payments, transportation costs, and other simi-  
18 lar expenses;

19 (3) use revenue generated by a project funded  
20 under the grant (whether in the form of fees paid  
21 for services provided by the project, reimbursements  
22 for expenses incurred in undertaking the project, or  
23 income from the sale of goods or services produced  
24 by the project) in excess of the costs of the project  
25 to—

1 (A) supplement the project budget; or

2 (B) support other projects funded by the  
3 grant in conformity with the purposes of this  
4 Act and subject to the same rules and require-  
5 ments that apply to other such projects;

6 (4) ensure that employment on any project  
7 funded under the grant is carried out in accordance  
8 with subsection (c);

9 (5) institute an outreach program with commu-  
10 nity organizations and service providers in low-in-  
11 come communities to provide information about  
12 placements funded under the grant to individuals  
13 suited to perform community infrastructure work;  
14 and

15 (6) ensure that not less than 35 percent of indi-  
16 viduals employed under the grant are individuals de-  
17 scribed in paragraph (4)(B) of subsection (f).

18 (f) EMPLOYMENT DESCRIBED.—Employment funded  
19 under this section shall meet the following specifications:

20 (1) Any employer that employs an individual  
21 whose employment is funded under the grant shall—

22 (A) continue to employ such individual for  
23 not less than 12 months, subject to the individ-  
24 ual's satisfactory performance of the reasonable  
25 requirements of the individual's employment;

1           (B) if such an individual desires full-time  
2           employment, employ such individual for not less  
3           than 35 hours per week and not more than 40  
4           hours, and if such an individual desires part-  
5           time work, employ such individual for a mutu-  
6           ally agreed number of hours per week that is  
7           less than 35 hours per week;

8           (C) comply with responsible contractor  
9           standards, as determined by the relevant official  
10          in the unit of local general government;

11          (D) provide compensation to such indi-  
12          vidual on a per hour basis equal to the com-  
13          pensation provided to public sector employees  
14          who perform similar work in the community  
15          where such individual is employed or, if no pub-  
16          lic sector employees perform such similar work,  
17          provide compensation to such individual that is  
18          comparable to the compensation provided to  
19          private-sector employees who perform similar  
20          work in the community where such individual is  
21          employed;

22          (E) if such employment is in construction,  
23          provide compensation to any laborer or me-  
24          chanic employed under the grant at rates not  
25          less than those prevailing on similar construc-



1           tion in the locality as determined by the Sec-  
2           retary in accordance with subchapter IV of  
3           chapter 31 of title 40, United States Code; and

4           (F) offer assistance to such individual in  
5           applying for social benefits for which such indi-  
6           vidual or the members of such individual's fam-  
7           ily may be eligible.

8           (2) No individual whose employment is funded  
9           under the grant may work for an employer at which  
10          a collective bargaining agreement is in effect cov-  
11          ering the same or similar work, unless—

12           (A) the consent of the union at such em-  
13           ployer is obtained; and

14           (B) negotiations have taken place between  
15           such union and the employer as to the terms  
16           and conditions of such employment.

17          (3)(A)(i) An employer may not employ an indi-  
18          vidual for a position funded under this Act, if—

19           (I) employing such individual will re-  
20           sult in the layoff or partial displacement  
21           (such as a reduction in hours, wages, or  
22           employee benefits) of an existing employee  
23           of the employer; or

24           (II) such individual will perform the  
25           same or substantially similar work that

1 had previously been performed by an em-  
2 ployee of the employer—

3 (aa) has been laid off or partially  
4 displaced (as such term is described in  
5 subclause (I)); and

6 (bb) has not been offered by the  
7 employer, to be restored to the posi-  
8 tion the employee had immediately  
9 prior to being laid off or partially dis-  
10 placed.

11 (ii) For the purposes of this paragraph, a posi-  
12 tion shall be considered to have been eliminated by  
13 an employer if the position has remained unfilled  
14 and the unit or organization has not sought to fill  
15 such position for at least a period of one month.

16 (iii) An individual may not be hired for a posi-  
17 tion funded under this Act in a manner that in-  
18 fringes upon the promotional opportunities of an ex-  
19 isting employee (as of the date of such hiring) of an  
20 employer receiving funds under this Act.

21 (B) A community-based organization receiving  
22 funds under this Act may not use such funds to pro-  
23 vide services or functions that are customarily pro-  
24 vided by a unit of general local government where

1 such services or functions are provided by the orga-  
2 nization.

3 (4) An individual hired to fill a job funded  
4 under this Act shall register with and be certified by  
5 the appropriate State employment service as eligible  
6 for such employment and shall satisfy at least one  
7 of the following conditions as of the date the indi-  
8 vidual is so hired:

9 (A) The individual is receiving unemploy-  
10 ment insurance benefits.

11 (B) The individual is unemployed, a mem-  
12 ber of a targeted group as defined by section  
13 51(d) of the Internal Revenue Code of 1986,  
14 and has been seeking employment, with the as-  
15 sistance of the State employment service, for  
16 not less than 30 days prior to the date on which  
17 the individual is so hired.

18 (C) The individual is unemployed and  
19 seeking employment, with the assistance of the  
20 State employment service, for not less than 60  
21 days prior to the date the individual is so hired.

22 (D) The individual has been employed  
23 part-time while seeking full-time employment  
24 with the assistance of the State employment

1 service for not less than 13 weeks prior to the  
2 date the individual is so hired.

3 (5) An individual employed in a job funded  
4 under this Act shall—

5 (A) notwithstanding the individual's em-  
6 ployment in a job funded under this Act, be  
7 registered with the appropriate State employ-  
8 ment service as available for and seeking work;

9 (B) respond appropriately, as a person  
10 available for and seeking employment, to refer-  
11 rals by the State employment service concerning  
12 available jobs;

13 (C) apply for suitable jobs for which the  
14 individual has been referred by the State em-  
15 ployment service; and

16 (D) accept a suitable job if such job is of-  
17 fered to the individual.

18 For purposes of subparagraphs (C) and (D), the  
19 term “suitable job” means a job that a newly unem-  
20 ployed individual receiving unemployment insurance  
21 benefits would be required to accept in order to  
22 avoid forfeiting the individual's eligibility for contin-  
23 ued receipt of unemployment insurance benefits  
24 under the laws of the State in which the individual  
25 is employed in a job funded under this Act.

1           (6) An individual employed in a job funded  
2 under this Act who terminates that employment in  
3 order to accept other employment, and who subse-  
4 quently is terminated from that other employment  
5 without fault on the individual's part, shall be eligi-  
6 ble for immediate reemployment in a job funded  
7 under this Act.

8           (7) In hiring individuals for positions funded  
9 under this Act, or using funds under this Act to con-  
10 tinue to provide employee compensation for existing  
11 employees, an employer shall comply with all appli-  
12 cable Federal, State, and local laws, personnel poli-  
13 cies and regulations, and collective bargaining agree-  
14 ments, as if such individual was hired, or such em-  
15 ployee compensation were provided, without assist-  
16 ance under this Act.

17           (8) An individual hired for a position funded  
18 under this Act shall—

19                   (A) be considered an employee of the em-  
20 ployer, by which such individual was hired; and

21                   (B) receive the same employee compensa-  
22 tion, have the same rights and responsibilities  
23 and job classifications, and be subject to the  
24 same job standards, employer policies, and col-  
25 lective bargaining agreements as if such indi-

1           vidual were hired without assistance under this  
2           Act.

3           (g) AWARD OF GRANTS.—

4           (1) SELECTION CRITERIA.—In selecting a  
5           project to receive funding for employing the individ-  
6           uals described in subsection (f)(4), a grant recipient  
7           shall consider—

8                   (A) the input of all participants in a pro-  
9                   posed project, including labor organizations,  
10                  community organizations, and employers;

11                  (B) the needs of the community intended  
12                  to benefit from such project;

13                  (C) the long-term goals and short-term ob-  
14                  jectives to address such needs; and

15                  (D) any recommendations for programs  
16                  and activities developed to meet such needs.

17           (2) PRIORITY GIVEN TO CERTAIN PROJECTS.—

18           A grant recipient under this section shall give pri-  
19           ority to projects that—

20                   (A) serve areas with the greatest level of  
21                   economic need, determined for each such area  
22                   by—

23                           (i) the unemployment rate;

24                           (ii) the rate of poverty;

1 (iii) the number of census tracts with  
2 concentrated poverty;

3 (iv) the lowest median income;

4 (v) the percentage of vacant and  
5 abandoned properties;

6 (vi) the percentage of home fore-  
7 closures; and

8 (vii) the indicators of poor resident  
9 health, including high rates of chronic dis-  
10 ease, infant mortality, and life expectancy;

11 (B) integrate education and job skills  
12 training, including basic skills instruction and  
13 secondary education services;

14 (C) coordinate to the maximum extent fea-  
15 sible with pre-apprenticeship and apprenticeship  
16 programs; and

17 (D) provide jobs in sectors where job  
18 growth is most likely, as determined by the Sec-  
19 retary, and in which career advancement oppor-  
20 tunities exist to maximize long-term, sustain-  
21 able employment for individuals after employ-  
22 ment funded under this Act ends.

23 (h) ALLOCATION OF GRANTS.—

24 (1) GRANTS FOR INDIAN TRIBES AND DEPOSITS  
25 INTO DISCRETIONARY FUND.—Not more than 5 per-

1 cent of the funds available in the Trust Fund for ac-  
2 tivities under this section for any fiscal year shall be  
3 reserved for grants to Indian tribes and for deposit  
4 into a discretionary fund established by the Sec-  
5 retary for national demonstration projects and  
6 multi-jurisdictional projects.

7 (2) GRANTS TO STATES.—Not more than 30  
8 percent of the funds available in the Trust Fund for  
9 activities under this section for any fiscal year shall  
10 be allocated to States to distribute to units of gen-  
11 eral local government that do not qualify for funds  
12 under paragraph (3).

13 (3) GRANTS TO UNITS OF GENERAL LOCAL  
14 GOVERNMENT.—Grant funds that are not reserved  
15 under paragraphs (1) and (2) shall be allocated to  
16 metropolitan cities and urban counties using the for-  
17 mula under section 106(b) of the Housing and Com-  
18 munity Development Act of 1974 (42 U.S.C.  
19 5306(b)).

20 (i) REPORTS.—

21 (1) REPORTS BY GRANT RECIPIENTS.—Not  
22 later than 90 days after the last day of each fiscal  
23 year in which assistance under this section is fur-  
24 nished, a recipient of a grant under this section shall



1 submit to the Secretary a report containing the fol-  
2 lowing:

3 (A) A description of the progress made in  
4 accomplishing the objectives of this chapter.

5 (B) A summary of the use of the grant  
6 during the preceding fiscal year.

7 (C) For units of general local government,  
8 a listing of each entity receiving funds and the  
9 amount of such grants, as well as a brief sum-  
10 mary of the projects funded for each such unit,  
11 the extent of financial participation by other  
12 public or private entities, and the impact on  
13 employment and economic activity of such  
14 projects during the previous fiscal year.

15 (D) For States, a listing of each unit of  
16 general local government receiving funds and  
17 the amount of such grants, as well as a brief  
18 summary of the projects funded for each such  
19 unit, the extent of financial participation by  
20 other public or private entities, and the impact  
21 on employment and economic activity of such  
22 projects during the previous fiscal year.

23 (E) The amount of money received and ex-  
24 pended during the fiscal year.

1           (F) The number of individuals assisted  
2           under the grant whose household income is low-  
3           income, very low-income, or extremely low-in-  
4           come (as such terms are used for purposes of  
5           the Housing Act of 1937 and the regulations  
6           thereunder (42 U.S.C. 1437 et seq.)).

7           (G) The amount expended on administra-  
8           tive costs during the fiscal year.

9           (2) REPORT TO CONGRESS.—At least once  
10          every 6 months, the Secretary shall submit to Con-  
11          gress a report on the use of grants awarded under  
12          this section and any progress in job creation.

13          (j) ESTABLISHMENT OF ARBITRATION PROCE-  
14          DURE.—

15           (1) IN GENERAL.—Each grant recipient under  
16          this section shall agree to the arbitration procedure  
17          described in this subsection to resolve disputes de-  
18          scribed in subsections (k) and (l).

19           (2) WRITTEN GRIEVANCES.—

20           (A) IN GENERAL.—If an employee (or an  
21          employee representative) wishes to use the arbi-  
22          tration procedure described in this subsection,  
23          such party shall file a written grievance within  
24          the time period required under subsection (k)  
25          or (l), as applicable, simultaneously with the

1 chief executive officer of a unit or State in-  
2 volved in the dispute and the Secretary.

3 (B) IN-PERSON MEETING.—Not later than  
4 10 days after the date of the filing of the griev-  
5 ance, the chief executive officer (or the designee  
6 of the chief executive officer) shall have an in-  
7 person meeting with the party to resolve the  
8 grievance.

9 (3) ARBITRATION.—

10 (A) SUBMISSION.—If the grievance is not  
11 resolved within the time period described in  
12 paragraph (2)(B), a party, by written notice to  
13 the other party involved, may submit such  
14 grievance to binding arbitration before a quali-  
15 fied arbitrator who is jointly selected and inde-  
16 pendent of the parties.

17 (B) APPOINTMENT BY SECRETARY.—If the  
18 parties cannot agree on an arbitrator within 5  
19 days of submitting the grievance to binding ar-  
20 bitration under subparagraph (A), one of the  
21 parties may submit a request to the Secretary  
22 to appoint a qualified and independent arbi-  
23 trator. The Secretary shall appoint a qualified  
24 and independent arbitrator within 15 days after  
25 receiving the request.

1           (C) HEARING.—Unless the parties mutu-  
2 ally agree otherwise, the arbitrator shall con-  
3 duct a hearing on the grievance and issue a de-  
4 cision not later than 30 days after the date  
5 such arbitrator is selected or appointed.

6           (D) COSTS.—

7           (i) IN GENERAL.—Except as provided  
8 in clause (ii), the cost of an arbitration  
9 proceeding shall be divided evenly between  
10 the parties to the arbitration.

11           (ii) EXCEPTION.—If a grievant pre-  
12 vails under an arbitration proceeding, the  
13 recipient of a grant under this section shall  
14 pay the cost of such proceeding, including  
15 attorneys' fees.

16       (k) DISPUTES CONCERNING THE ALLOTMENT OF  
17 FUNDS.—In a case where a unit of general local govern-  
18 ment that is an entitlement community or a State has im-  
19 properly requested funds for services or functions to be  
20 provided by a community-based organization that are cus-  
21 tomarily provided by the unit or, in the case of a State,  
22 by a unit located in the nonentitlement area of the State  
23 where services or functions will be provided by the organi-  
24 zation, an employee or employee representative of the unit  
25 or State may file a grievance under subsection (j) not later

1 than 15 days after public notice of an intent to submit  
2 an application under this section is published. Upon re-  
3 ceiving a copy of the grievance, the Secretary shall with-  
4 hold the funds subject to such grievance, unless and until  
5 the grievance is resolved under subsection (j), by the par-  
6 ties or an arbitrator in favor of providing such funding.

7 (l) ALL OTHER DISPUTES.—

8 (1) IN GENERAL.—In the case of a dispute not  
9 covered under subsection (k) concerning compliance  
10 with the requirements of this section by a recipient  
11 of a grant under this section, an employee or em-  
12 ployee representative of the unit or State may file a  
13 grievance under subsection (k) not later than 90  
14 days after the dispute arises. In such cases, an arbi-  
15 trator may award such remedies as are necessary to  
16 make the grievant whole, including the reinstatement  
17 of a displaced employee or the payment of  
18 back wages, and may submit recommendations to  
19 the Secretary to ensure further compliance with the  
20 requirements of this title, including recommenda-  
21 tions to suspend or terminate funding, or to require  
22 the repayment of funds received under this title dur-  
23 ing any period of noncompliance.

24 (2) EXISTING GRIEVANCE PROCEDURES.—A  
25 party to a dispute described in paragraph (1) may

1 use the existing grievance procedure of a recipient of  
2 a grant under this section, or the arbitration proce-  
3 dure described in this subsection, to resolve such dis-  
4 pute.

5 (m) PARTY DEFINED.—For purposes of subsections  
6 (j), (k), and (l), the term “party” means the employee and  
7 the recipient of a grant under this section, involved in a  
8 dispute described in subsection (k) or (l).

9 (n) WHISTLEBLOWER HOTLINE; ENFORCEMENT BY  
10 THE SECRETARY.—

11 (1) WHISTLEBLOWER HOTLINE.—The Sec-  
12 retary shall post on a publicly accessible Internet  
13 Web site of the Department of Labor the contact in-  
14 formation for reporting noncompliance with this title  
15 by a State, unit of general local government, com-  
16 munity-based organization, or individual receiving  
17 funding under this title.

18 (2) ENFORCEMENT BY THE SECRETARY.—

19 (A) IN GENERAL.—If the Secretary re-  
20 ceives a complaint alleging noncompliance with  
21 this title, the Secretary may conduct an inves-  
22 tigation and after notice and an opportunity for  
23 a hearing, may order such remedies as the Sec-  
24 retary determines appropriate, including—

1 (i) withholding further funds under  
2 this title to a noncompliant entity;

3 (ii) requiring the entity to make an  
4 injured party whole; or

5 (iii) requiring the entity to repay to  
6 the Secretary any funds received under  
7 this title during any period of noncompli-  
8 ance.

9 (B) RECOMMENDATION BY AN ARBI-  
10 TRATOR.—A remedy described in subparagraph  
11 (A) may also be ordered by the Secretary upon  
12 recommendation by an arbitrator appointed or  
13 selected under this section.

14 **SEC. 6. NATIONAL EMPLOYMENT CONFERENCE.**

15 (a) IN GENERAL.—The Secretary shall convene a na-  
16 tional employment conference not later than 1 year after  
17 the date of enactment of this Act, to bring together leaders  
18 of small, medium, and large businesses, labor, govern-  
19 ment, and all other interested parties.

20 (b) SUBJECT.—The subject of the conference shall be  
21 employment, with particular attention to structural unem-  
22 ployment and the plight of disadvantaged youth. The con-  
23 ference shall also focus on issues such as adequate and  
24 effective incentives for employers to hire the long-term un-  
25 employed.

1 **SEC. 7. INCLUSION OF MINORITY-SERVING, COMMUNITY-**  
 2 **BASED ORGANIZATIONS IN WIA STATE AND**  
 3 **LOCAL WORKFORCE INVESTMENT BOARDS.**

4 (a) STATE BOARDS.—Section 111(b)(1)(C)(v) of the  
 5 Workforce Investment Act of 1998 (29 U.S.C.  
 6 2821(b)(1)(C)(v)) is amended by inserting before the  
 7 semicolon “(including not less than 25 percent of the chief  
 8 executive officers of minority-serving, community-based  
 9 organizations)”.

10 (b) LOCAL BOARDS.—Section 117(b)(2)(A)(iv) of  
 11 such Act (29 U.S.C. 2832(b)(2)(A)(iv)) is amended by in-  
 12 serting “, and not less than 25 percent of the chief execu-  
 13 tive officers of minority-serving, community-based organi-  
 14 zations” after “present”.

15 **SEC. 8. TAX ON SECURITIES TRANSACTIONS.**

16 (a) IN GENERAL.—Chapter 36 of the Internal Rev-  
 17 enue Code of 1986 is amended by inserting after sub-  
 18 chapter B the following new subchapter:

19 **“Subchapter C—Tax on Securities**  
 20 **Transactions**

“Sec. 4475. Tax on securities transactions.

21 **“SEC. 4475. TAX ON SECURITIES TRANSACTIONS.**

22 **“(a) IMPOSITION OF TAX.—**

23 **“(1) STOCKS.—**There is hereby imposed a tax  
 24 on each covered transaction in a stock contract of



1       0.25 percent of the value of the instruments involved  
2       in such transaction.

3           “(2) FUTURES.—There is hereby imposed a tax  
4       on each covered transaction in a futures contract of  
5       0.02 percent of the value of the instruments involved  
6       in such transaction.

7           “(3) SWAPS.—There is hereby imposed a tax on  
8       each covered transaction in a swaps contract of 0.02  
9       percent of the value of the instruments involved in  
10      such transaction.

11          “(4) CREDIT DEFAULT SWAPS.—There is here-  
12      by imposed a tax on each covered transaction in a  
13      credit default swaps contract of 0.02 percent of the  
14      value of the instruments involved in such trans-  
15      action.

16          “(5) OPTIONS.—There is hereby imposed a tax  
17      on each covered transaction in an options contract  
18      with respect to a transaction described in paragraph  
19      (1), (2), (3), or (4) of—

20           “(A) the rate imposed with respect to such  
21      underlying transaction under paragraph (1),  
22      (2), (3), or (4) (as the case may be), multiplied  
23      by

24           “(B) the premium paid on such option.

1       “(b) EXCEPTION FOR RETIREMENT ACCOUNTS,  
2 ETC.—No tax shall be imposed under subsection (a) with  
3 respect to any stock contract, futures contract, swaps con-  
4 tract, credit default swap, or options contract which is  
5 held in any plan, account, or arrangement described in  
6 section 220, 223, 401(a), 403(a), 403(b), 408, 408A, 529,  
7 or 530.

8       “(c) EXCEPTION FOR INTERESTS IN MUTUAL  
9 FUNDS.—No tax shall be imposed under subsection (a)  
10 with respect to the purchase or sale of any interest in a  
11 regulated investment company (as defined in section 851)  
12 or of any derivative of such an interest.

13       “(d) BY WHOM PAID.—

14               “(1) IN GENERAL.—The tax imposed by this  
15 section shall be paid by—

16                       “(A) in the case of a transaction which oc-  
17 curs on a trading facility located in the United  
18 States, such trading facility, or

19                       “(B) in any other case, the purchaser with  
20 respect to the transaction.

21               “(2) WITHHOLDING IF BUYER IS NOT A  
22 UNITED STATES PERSON.—See section 1447 for  
23 withholding by seller if buyer is a foreign person.

24       “(e) COVERED TRANSACTION.—The term ‘covered  
25 transaction’ means any purchase or sale if—

1           “(1) such purchase or sale occurs on a trading  
2           facility located in the United States, or

3           “(2) the purchaser or seller is a United States  
4           person.

5           “(f) ADMINISTRATION.—The Secretary shall carry  
6           out this section in consultation with the Securities and Ex-  
7           change Commission and the Commodity Futures Trading  
8           Commission.”.

9           (b) WITHHOLDING.—Subchapter A of chapter 3 of  
10          such Code is amended by adding at the end the following  
11          new section:

12          **“SEC. 1447. WITHHOLDING ON SECURITIES TRANSACTIONS.**

13           “(a) IN GENERAL.—In the case of any outbound se-  
14          curities transaction, the transferor shall deduct and with-  
15          hold a tax equal to the tax imposed under section 4475  
16          with respect to such transaction.

17           “(b) OUTBOUND SECURITIES TRANSACTION.—For  
18          purposes of this section, the term ‘outbound securities  
19          transaction’ means any covered transaction to which sec-  
20          tion 4475(a) applies if—

21           “(1) such transaction does not occur on a trad-  
22          ing facility located in the United States, and

23           “(2) the purchaser with respect to such trans-  
24          action is not a United States person.”.

25          (c) CLERICAL AMENDMENTS.—

1           (1) The table of subchapters for chapter 36 of  
2           the Internal Revenue Code of 1986 is amended by  
3           inserting after the item relating to subchapter B the  
4           following new item:

“Subchapter C. Tax on Securities Transactions”.

5           (2) The table of sections for subchapter A of  
6           chapter 3 of such Code is amended by adding at the  
7           end the following new item:

“Sec. 1447. Withholding on securities transactions.”.

8           (d) **EFFECTIVE DATE.**—The amendments made by  
9           this section shall apply to transactions occurring more  
10          than 180 days after the date of the enactment of this Act.

○