

118TH CONGRESS
1ST SESSION

S. 2651

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

IN THE SENATE OF THE UNITED STATES

JULY 27, 2023

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

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 2023”.

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 an urban
20 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) URBAN AREA.—The term “urban area”
2 means an urbanized area (a region of 50,000 or
3 more residents) and an urbanized cluster (and area
4 encompassing between 2,500 and 50,000 residents),
5 according to the Census Bureau’s urban-rural classi-
6 fication in the 2010 census.

7 (6) SECRETARY.—The term “Secretary” means
8 the Secretary of Labor.

9 (7) WIOA DEFINITIONS.—The terms “adult
10 education and literacy activities”, “career planning”,
11 “individual with a barrier to employment”, “in-de-
12 mand industry sector or occupation”, “local board”,
13 “recognized postsecondary credential”, “State
14 board”, “supportive services”, and “workplace learn-
15 ing advisor” have the meanings given such terms in
16 section 3 of the Workforce Innovation and Oppor-
17 tunity Act (29 U.S.C. 3102).

18 (b) ESTABLISHMENT.—

19 (1) IN GENERAL.—The Secretary shall establish
20 a pilot program to provide competitive grants to eli-
21 gible entities to establish programs to ensure that
22 any individual within the area served by the entity
23 who applies for a job through the program will be
24 provided with employment as provided for in this
25 section.

1 (2) TERMINATION.—Federal funding for a job
2 guarantee program established under a grant under
3 this section shall terminate on the earlier of—

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

6 (B) the date of any revocation of the
7 grantee as an eligible entity.

8 (c) JOB GUARANTEE PROGRAMS.—A job guarantee
9 program meets the requirements of this subsection if the
10 jobs provided under such program—

11 (1) are available to all individuals who—

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

13 (B) reside in the area served under the
14 program at the time the area became an eligible
15 entity;

16 except that participants in the program may be dis-
17 ciplined, released, or suspended from further partici-
18 pation in jobs under this program if they are found
19 to be negligent, or generally disruptive to the work-
20 place involved under procedures established by the
21 Secretary that provide for an opportunity for a re-
22 view of such determinations;

23 (2) are, with respect to individual participants,
24 included as part of an established bargaining unit
25 and covered by any applicable collective bargaining

1 agreement in effect if similarly situated employees
2 are part of such unit and represented by an exclu-
3 sive bargaining representative;

4 (3) are available for the duration of the pilot
5 program;

6 (4) provide a wage of not less than the greater
7 of—

8 (A) the hourly wage provided for under the
9 provisions of S. 2488 (118th Congress), if en-
10 acted, or the hourly wage otherwise required to
11 be paid to employees in area to be served under
12 the pilot program, whichever is greater;

13 (B) the prevailing wage in the area in-
14 volved for a similar job as required by chapter
15 67 of title 41, United States Code, and other
16 related laws; or

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

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

24 (6) provide at a minimum—

1 (A) paid family leave consistent with the
2 provisions of S. 1714 (118th Congress) and ap-
3 plicable State law; and

4 (B) paid sick leave consistent with the pro-
5 vision of S. 1664 (118th Congress) and applica-
6 ble State law.

7 (d) OTHER USES.—Funds may be used to provide
8 workers in a job guarantee program with—

9 (1) supportive services, which can include trans-
10 portation, child care, dependent care, housing, and
11 needs-related payments, that are necessary to enable
12 an individual to participate in activities authorized
13 under this Act;

14 (2) access to a workplace learning advisor to
15 support the education, skill development, job train-
16 ing, career panning, and credentials required to
17 progress toward career goals of such employees in
18 order to meet employer requirements related to job
19 openings and career advancements that support eco-
20 nomic self-sufficiency;

21 (3) adult education and literacy activities, in-
22 cluding those provided by public libraries;

23 (4) activities that assist justice involved individ-
24 uals, formerly incarcerated individuals, and individ-

1 uals with criminal records in reentering the work-
2 force; and

3 (5) financial literacy activities including those
4 described in section 129(b)(2)(D) of the Workforce
5 Innovation and Opportunity Act.

6 (e) APPLICATIONS.—An eligible entity seeking a
7 grant under this section shall submit an application to the
8 Secretary at such time, in such manner, and containing
9 such information as the Secretary may require. Such ap-
10 plication shall include—

11 (1) a description of the geographic area and
12 population that the entity intends to serve under the
13 job guarantee program established under the grant,
14 including the area unemployment rate, underemploy-
15 ment rate, unemployment rate for individuals with
16 disabilities, poverty rate, housing vacancy rate, crime
17 rate, household income, home-ownership rate, labor
18 force participation rate, and educational attainment;

19 (2) to extent practicable, a description of the
20 jobs that will be offered under the job guarantee
21 program, including—

22 (A) a description of supports provided to
23 individuals with disabilities and accommoda-
24 tions required under the Americans with Dis-

1 abilities Act of 1990 (42 U.S.C. 12101 et seq.);
2 and

3 (B) a description of supports and proce-
4 dures to ensure job access and opportunities for
5 individuals with criminal records, including in-
6 formation on physical and programmatic acces-
7 sibility, in accordance with section 188 of the
8 Workforce Innovation and Opportunity Act, if
9 applicable, and the Americans with Disabilities
10 Act of 1990, for individuals with disabilities;

11 (3) the need in the area for jobs to be per-
12 formed, including for jobs designated as a high-skill,
13 high-wage or in-demand industry sector or occupa-
14 tion by the Secretary, State board, or local board;

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

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

22 (A) a public internet website, in conjunc-
23 tion with the Secretary, to post all available
24 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);

11 (8) a description of how the eligible entity will
12 comply with the requirements described in sub-
13 section (c)(6);

14 (9) an assurance that the entity will enter into
15 an allocation agreement with the Secretary under
16 subsection (j)(2)(A); and

17 (10) an assurance that energy and infrastruc-
18 ture jobs provided under the program will not exac-
19 erbate the impacts of climate change.

20 (f) SELECTION.—The Secretary, after reviewing ap-
21 plications from eligible entities, shall award grants under
22 this section to not more than 15 such eligible entities. In
23 awarding such grants, the Secretary shall consider diver-
24 sity in geographic location, urban-rural composition, and

1 political entity, including the representation of Tribal enti-
2 ties.

3 (g) AMOUNT OF GRANT.—

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

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

11 (B) any interest earned on investment of
12 amounts in the Fund.

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

17 (3) PAYMENTS.—

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

22 (B) PAYMENTS.—The Secretary shall
23 make payments to grantees under this section
24 in a manner determined appropriate by the Sec-
25 retary. The Secretary shall not make subse-

1 quent payments to a grantee after the initial
2 payment until the grantee certifies to the Sec-
3 retary that the grantee has expended, trans-
4 ferred, or obligated not less than 80 percent of
5 the most recent payment made under this sub-
6 section.

7 (h) LIMITATIONS.—An eligible entity may not use
8 amounts received under a grant under this section to—

9 (1) employ individuals who will replace, or lead
10 to the displacement of, existing employees, positions,
11 or individuals who would otherwise perform similar
12 employment, or disrupt existing contracts and collec-
13 tive bargaining agreements, as defined in section
14 181(b) of the Workforce Innovation and Opportunity
15 Act (Public Law 113–128);

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

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

20 (i) FEDERAL PROVISION OF JOBS IN PILOT SITES.—

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

24 (A) provide guidance to the heads of ap-
25 propriate Federal agencies to notify such agen-

1 cies of job guarantee programs established
2 under such grants; and

3 (B) request that such agencies notify the
4 Secretary, within 30 days of the date on which
5 the guidance is received under paragraph (1),
6 of the number and types of jobs that such agen-
7 cy would make available through each of the
8 programs.

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

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

22 (4) REIMBURSEMENT.—At the end of each fis-
23 cal year, the Secretary shall transfer from the Fund
24 to each Federal agency that employs individuals
25 under a job guarantee program under this section,

1 an amount necessary to reimburse such agency for
2 the full cost of employing each such individual dur-
3 ing such fiscal year.

4 (j) TRAINING.—

5 (1) IN GENERAL.—The Secretary shall develop
6 procedures to support up to 8 weeks of paid training
7 (through privately or publicly funded training pro-
8 grams, such as those provided by the public work-
9 force system) to participants in order to perform du-
10 ties required by job guarantee programs under this
11 section, including a new period of training, not to
12 exceed 8 weeks, prior to commencing any new job
13 under the program.

14 (2) SPECIFIC POPULATIONS.—With respect to
15 certain populations with barriers to employment (as
16 defined in section 3(24) of the Workforce Innovation
17 and Opportunity Act (Public Law 113–128)), the 8-
18 week training period may include specific job-related
19 training and counseling and other general skills
20 training to prepare such individuals to reenter the
21 workforce.

22 (k) PRIORITIES AND AUDITS.—

23 (1) PRIORITIES.—Prior to awarding the initial
24 grants under this section, the Secretary shall issue
25 a list of national job priorities relating to jobs that

1 may be carried out under job guarantee programs,
2 that shall include child care, care for seniors and in-
3 dividuals with disabilities, clean energy jobs, and
4 sustainable infrastructure activities. The Secretary
5 shall take State board and local board suggestions
6 into consideration when issuing such list.

7 (2) AUDITS.—

8 (A) IN GENERAL.—The Secretary, acting
9 through the Inspector General of the Depart-
10 ment of Labor, shall carry out annual audits of
11 the use of grant funds provided to eligible enti-
12 ties under this section.

13 (B) ALLOCATION AGREEMENTS AND MIS-
14 USE OF FUNDS.—

15 (i) ALLOCATION AGREEMENTS.—An
16 eligible entity shall enter into an allocation
17 agreement with the Secretary that shall
18 provide that the Secretary shall recoup any
19 amounts paid to the entity under a grant
20 under this section if the results of an audit
21 under subparagraph (A) include a finding
22 that there was an intentional or reckless
23 misuse of such funds by such entity.

24 (ii) LOSS OF ELIGIBILITY.—An eligi-
25 ble entity that is determined to have fal-

1 sified or otherwise misstated data in any
2 report submitted to the Secretary with the
3 intent to deceive or mislead the Secretary
4 shall be ineligible to receive additional
5 funds under this section.

6 (1) REPORTS.—Not later than 90 days after the end
7 of each calendar year for which an eligible entity obligates
8 or expends any amounts made available under a grant
9 under this section, the eligible entity shall submit to the
10 Secretary a report that—

11 (1) specifies the amount of grant funds obli-
12 gated or expended for the preceding fiscal year;

13 (2) specifies any purposes for which the funds
14 were obligated or expended; and

15 (3) includes any other information that the Sec-
16 retary may require to more effectively administer the
17 grant program under this section, including the indi-
18 cators of performance under section 116(b)(2)(A)(i)
19 of the Workforce Innovation and Opportunity Act
20 (29 U.S.C. 3141(b)(2)(A)(i)), with the performance
21 data disaggregated by race, ethnicity, sex, age, and
22 membership in a population specified in section
23 3(24) of such Act (29 U.S.C. 3102(24)).

24 (m) EVALUATION.—The Chief Evaluation Officer at
25 the Department of Labor shall provide for the conduct of

1 an evaluation of the pilot program, using a rigorous design
2 and evaluation methods to assess the implementation of
3 the programs and their impact on—

4 (1) overall employment, public-sector employ-
5 ment, and private-sector employment;

6 (2) private sector employment, wages, and ben-
7 efits;

8 (3) poverty rate;

9 (4) public assistance spending and other Fed-
10 eral spending in the area served by the program;

11 (5) child health and educational outcomes;

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

14 (7) incarceration rates;

15 (8) the environment, including air quality and
16 water quality;

17 (9) the indicators of performance as described
18 in subsection (l)(3); and

19 (10) other economic development and individual
20 outcome indicators, as determined by the Secretary.

21 (n) EXPANSION OF WORK OPPORTUNITY CREDIT TO
22 INCLUDE PARTICIPANTS IN JOB GUARANTEE PRO-
23 GRAMS.—

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

1 (A) in paragraph (1)—

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

4 (ii) in subparagraph (J), by striking
5 the period at the end and inserting “, or”;
6 and

7 (iii) by adding at the end the fol-
8 lowing new subparagraph:

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

11 (B) by adding at the end the following new
12 paragraph:

13 “(16) QUALIFIED PARTICIPANT IN A JOB GUAR-
14 ANTEE PROGRAM.—The term ‘qualified participant
15 in a job guarantee program’ means any individual
16 who is certified by the designated local agency as
17 having participated in a job guarantee program
18 under section 2 of the Federal Jobs Guarantee De-
19 velopment Act of 2023 for not less than 3 months
20 during the 6-month period ending on the hiring
21 date.”.

22 (2) EFFECTIVE DATE.—The amendments made
23 by this subsection shall apply to individuals who
24 begin work for the employer after December 31,
25 2023.

1 (o) APPROPRIATIONS.—From funds in the Treasury
2 not otherwise appropriated, there are appropriated to the
3 Secretary such sums as may be necessary to carry out this
4 section.

○