To provide for teacher and first responder stabilization.

IN THE SENATE OF THE UNITED STATES

OCTOBER 17, 2011

Mr. MENENDEZ (for himself, Ms. STABENOW, Mr. CASEY, Mr. REID, Mr. HARKIN, Mr. LEAHY, Mr. BLUMENTHAL, and Mrs. FEINSTEIN) introduced the following bill; which was read the first time

OCTOBER 18, 2011

Read the second time and placed on the calendar

A BILL

To provide for teacher and first responder stabilization.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Teachers and First
Responders Back to Work Act of 2011”.

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TITLE I—TEACHER
STABILIZATION

SEC. 101. PURPOSE.
The purpose of this title is to provide funds to States to prevent teacher layoffs and support the creation of additional jobs in public early childhood, elementary, and secondary education in the 2011–2012 and 2012–2013 school years.

SEC. 102. GRANTS FOR THE OUTLYING AREAS AND THE SECRETARY OF THE INTERIOR; AVAILABILITY OF FUNDS.

(a) Reservation of Funds.—From the amount appropriated to carry out this title under section 111, the Secretary—

(1) shall reserve up to one-half of one percent to provide assistance to the outlying areas on the basis of their respective needs, as determined by the Secretary, for activities consistent with this part under such terms and conditions as the Secretary may determine;

(2) shall reserve up to one-half of one percent to provide assistance to the Secretary of the Interior to carry out activities consistent with this part, in schools operated or funded by the Bureau of Indian Education; and
(3) may reserve up to $2,000,000 for administration and oversight of this part, including program evaluation.

(b) AVAILABILITY OF FUNDS.—Funds made available under section 111 shall remain available to the Secretary until September 30, 2012.

SEC. 103. STATE ALLOCATION.

(a) ALLOCATION.—After reserving funds under section 102(a), the Secretary shall allocate to the States—

(1) 60 percent on the basis of their relative population of individuals aged 5 through 17; and

(2) 40 percent on the basis of their relative total population.

(b) AWARDS.—From the funds allocated under subsection (a), the Secretary shall make a grant to the Governor of each State who submits an approvable application under section 104.

(c) ALTERNATE DISTRIBUTION OF FUNDS.—

(1) IN GENERAL.—If, within 30 days after the date of enactment of this Act, a Governor has not submitted an approvable application to the Secretary, the Secretary shall, consistent with paragraph (2), provide for funds allocated to that State to be distributed to another entity or other entities in the State for the support of early childhood, ele-
mentary, and secondary education, under such terms and conditions as the Secretary may establish.

(2) MAINTENANCE OF EFFORT.—

(A) GOVERNOR ASSURANCE.—The Secretary shall not allocate funds under paragraph (1) unless the Governor of the State provides an assurance to the Secretary that the State will, for fiscal years 2012 and 2013, meet the requirements of section 108.

(B) SPECIAL RULE.—Notwithstanding subparagraph (A), the Secretary may allocate up to 50 percent of the funds that are available to the State under paragraph (1) to another entity or entities in the State, provided that the State educational agency submits data to the Secretary demonstrating that the State will for fiscal year 2012 meet the requirements of section 108(a) or the Secretary otherwise determines that the State will meet those requirements, or such comparable requirements as the Secretary may establish, for that year.

(3) REQUIREMENTS.—An entity that receives funds under paragraph (1) shall use those funds in accordance with the requirements of this title.
(d) Reallocation.—If a State does not receive funding under this title or only receives a portion of its allocation under subsection (c), the Secretary shall reallocate the State’s entire allocation or the remaining portion of its allocation, as the case may be, to the remaining States in accordance with subsection (a).

SEC. 104. STATE APPLICATION.

The Governor of a State desiring to receive a grant under this title shall submit an application to the Secretary within 30 days of the date of enactment of this Act, in such manner, and containing such information, as the Secretary may reasonably require to determine the State’s compliance with applicable provisions of law.

SEC. 105. STATE RESERVATION AND RESPONSIBILITIES.

(a) Reservation.—Each State receiving a grant under section 103(b) may reserve—

(1) not more than 10 percent of the grant funds for awards to State-funded early learning programs; and

(2) not more than 2 percent of the grant funds for the administrative costs of carrying out its responsibilities under this title.

(b) State Responsibilities.—Each State receiving a grant under this title shall, after reserving any funds under subsection (a)—
(1) use the remaining grant funds only for awards to local educational agencies for the support of early childhood, elementary, and secondary education; and

(2) distribute those funds, through subgrants, to its local educational agencies by distributing—

   (A) 60 percent on the basis of the local educational agencies’ relative shares of enrollment; and

   (B) 40 percent on the basis of the local educational agencies’ relative shares of funds received under part A of title I of the Elementary and Secondary Education Act of 1965 for fiscal year 2011; and

(3) make those funds available to local educational agencies no later than 100 days after receiving a grant from the Secretary.

(c) Prohibitions.—A State shall not use funds received under this title to directly or indirectly—

   (1) establish, restore, or supplement a rainy-day fund;

   (2) supplant State funds in a manner that has the effect of establishing, restoring, or supplementing a rainy-day fund;
(3) reduce or retire debt obligations incurred by the State; or

(4) supplant State funds in a manner that has the effect of reducing or retiring debt obligations incurred by the State.

SEC. 106. LOCAL EDUCATIONAL AGENCIES.

Each local educational agency that receives a subgrant under this title—

(1) shall use the subgrant funds only for compensation and benefits and other expenses, such as support services, necessary to retain existing employees, recall or rehire former employees, or hire new employees to provide early childhood, elementary, or secondary educational and related services;

(2) shall obligate those funds no later than September 30, 2013; and

(3) may not use those funds for general administrative expenses or for other support services or expenditures, as those terms are defined by the National Center for Education Statistics in the Common Core of Data, as of the date of enactment of this Act.

SEC. 107. EARLY LEARNING.

Each State-funded early learning program that receives funds under this title shall—
(1) use those funds only for compensation, benefits, and other expenses, such as support services, necessary to retain early childhood educators, recall or rehire former early childhood educators, or hire new early childhood educators to provide early learning services; and

(2) obligate those funds no later than September 30, 2013.

**SEC. 108. MAINTENANCE OF EFFORT.**

(a) The Secretary shall not allocate funds to a State under this title unless the State provides an assurance to the Secretary that—

(1) for State fiscal year 2012—

    (A) the State will maintain State support for early childhood, elementary, and secondary education (in the aggregate or on the basis of expenditure per pupil) and for public institutions of higher education (not including support for capital projects or for research and development or tuition and fees paid by students) at not less than the level of such support for each of the 2 categories for State fiscal year 2011; or

    (B) the State will maintain State support for early childhood, elementary, and secondary
education and for public institutions of higher
education (not including support for capital
projects or for research and development or tu-
tition and fees paid by students) at a percentage
of the total revenues available to the State that
is equal to or greater than the percentage pro-
vided for State fiscal year 2011; and
(2) for State fiscal year 2013—
(A) the State will maintain State support
for early childhood, elementary, and secondary
education (in the aggregate or on the basis of
expenditure per pupil) and for public institu-
tions of higher education (not including support
for capital projects or for research and develop-
ment or tuition and fees paid by students) at
not less than the level of such support for each
of the two categories for State fiscal year 2012;
or
(B) the State will maintain State support
for early childhood, elementary, and secondary
education and for public institutions of higher
education (not including support for capital
projects or for research and development or tui-
tion and fees paid by students) at a percentage
of the total revenues available to the State that
is equal to or greater than the percentage provided for State fiscal year 2012.

(b) WAIVER.—The Secretary may waive the requirements of this section if the Secretary determines that a waiver would be equitable due to—

(1) exceptional or uncontrollable circumstances, such as a natural disaster; or

(2) a precipitous decline in the financial resources of the State.

SEC. 109. Reporting.

Each State that receives a grant under this title shall submit, on an annual basis, a report to the Secretary that contains—

(1) a description of how funds received under this part were expended or obligated; and

(2) an estimate of the number of jobs supported by the State using funds received under this title.

SEC. 110. Definitions.

In this title:

(1) Except as otherwise provided, the terms “local educational agency”, “outlying area”, “Secretary”, “State”, and “State educational agency” have the meanings given those terms in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).
(2) The term “State” does not include an out-
lying area.

(3) The term “early childhood educator” means
an individual who—

(A) works directly with children in a State-
funded early learning program in a low-income
community;

(B) is involved directly in the care, devel-
opment, and education of infants, toddlers, or
young children age five and under; and

(C) has completed a baccalaureate or ad-
vanced degree in early childhood development or
early childhood education, or in a field related
to early childhood education.

(4) The term “State-funded early learning pro-
gram” means a program that provides educational
services to children from birth to kindergarten entry
and receives funding from the State.

SEC. 111. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated, and there
are appropriated, $30,000,000,000 to carry out this title
for fiscal year 2012.
TITLE II—FIRST RESPONDER STABILIZATION

SEC. 201. PURPOSE.

The purpose of this title is to provide funds to States and localities to prevent layoffs of, and support the creation of additional jobs for, law enforcement officers and other first responders.

SEC. 202. GRANT PROGRAM.

The Attorney General shall carry out a competitive grant program pursuant to section 1701 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796dd) for hiring, rehiring, or retention of career law enforcement officers under part Q of such title. Grants awarded under this section shall not be subject to subsections (g) or (i) of section 1701 or to section 1704 of such Act (42 U.S.C. 3796dd–3(c)).

SEC. 203. APPROPRIATIONS.

There are hereby appropriated to the Community Oriented Policing Stabilization Fund out of any money in the Treasury not otherwise obligated, $5,000,000,000, to remain available until September 30, 2012, of which $4,000,000,000 shall be for the Attorney General to carry out the competitive grant program under section 202; and of which $1,000,000,000 shall be transferred by the Attorney General to a First Responder Stabilization Fund from
which the Secretary of Homeland Security shall make competitive grants for hiring, rehiring, or retention pursuant to the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2201 et seq.), to carry out section 34 of such Act (15 U.S.C. 2229a). In making such grants, the Secretary may grant waivers from the requirements in subsections (a)(1)(A), (a)(1)(B), (a)(1)(E), (c)(1), (c)(2), and (c)(4)(A) of section 34. Of the amounts appropriated herein, not to exceed $8,000,000 shall be for administrative costs of the Attorney General, and not to exceed $2,000,000 shall be for administrative costs of the Secretary of Homeland Security.

**TITLE III—SURTAX ON MILLIONAIRES**

**SEC. 301. SURTAX ON MILLIONAIRES.**

(a) In General.—Subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new part:

“**PART VIII—SURTAX ON MILLIONAIRES**

Sec. 59B. Surtax on millionaires.

Sec. 59B. Surtax on millionaires.

(a) General Rule.—In the case of a taxpayer other than a corporation for any taxable year beginning after 2012, there is hereby imposed (in addition to any other tax imposed by this subtitle) a tax equal to 0.5 per-
cent of so much of the modified adjusted gross income of the taxpayer for such taxable year as exceeds $1,000,000 ($500,000, in the case of a married individual filing a separate return).

“(b) INFLATION ADJUSTMENT.—

“(1) IN GENERAL.—In the case of any taxable year beginning after 2013, each dollar amount under subsection (a) shall be increased by an amount equal to—

“(A) such dollar amount, multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2011’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(2) ROUNDING.—If any amount as adjusted under paragraph (1) is not a multiple of $10,000, such amount shall be rounded to the next highest multiple of $10,000.

“(c) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this section, the term ‘modified adjusted gross income’ means adjusted gross income reduced by any deduction (not taken into account in determining adjusted gross income) allowed for investment interest (as defined}
in section 163(d)). In the case of an estate or trust, adjusted gross income shall be determined as provided in section 67(e).

“(d) Special Rules.—

“(1) Nonresident Alien.—In the case of a nonresident alien individual, only amounts taken into account in connection with the tax imposed under section 871(b) shall be taken into account under this section.

“(2) Citizens and Residents Living Abroad.—The dollar amount in effect under subsection (a) shall be decreased by the excess of—

“(A) the amounts excluded from the taxpayer’s gross income under section 911, over

“(B) the amounts of any deductions or exclusions disallowed under section 911(d)(6) with respect to the amounts described in subparagraph (A).

“(3) Charitable Trusts.—Subsection (a) shall not apply to a trust all the unexpired interests in which are devoted to one or more of the purposes described in section 170(c)(2)(B).

“(4) Not Treated as Tax Imposed by This Chapter for Certain Purposes.—The tax imposed under this section shall not be treated as tax
imposed by this chapter for purposes of determining
the amount of any credit under this chapter or for
purposes of section 55.''.

(b) CLERICAL AMENDMENT.—The table of parts for
subchapter A of chapter 1 of the Internal Revenue Code
of 1986 is amended by adding at the end the following
new item:

"PART VIII. SURTAX ON MILLIONAIRES.".

(c) SECTION 15 NOT TO APPLY.—The amendment
made by subsection (a) shall not be treated as a change
in a rate of tax for purposes of section 15 of the Internal

(d) EFFECTIVE DATE.—The amendments made by
this section shall apply to taxable years beginning after
December 31, 2012.
A BILL

To provide for teacher and first responder stabilization.

OCTOBER 18, 2011

Read the second time and placed on the calendar.