

116TH CONGRESS  
2D SESSION

# S. 4107

To amend the Social Security Act to establish a new employment, training, and supportive services program for unemployed and underemployed individuals and individuals with barriers to employment, to provide employment services to individuals who are unemployed or underemployed as a result of COVID–19, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JUNE 30, 2020

Mr. WYDEN (for himself, Ms. BALDWIN, Mr. VAN HOLLEN, Mr. BENNET, and Mr. BOOKER) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Social Security Act to establish a new employment, training, and supportive services program for unemployed and underemployed individuals and individuals with barriers to employment, to provide employment services to individuals who are unemployed or underemployed as a result of COVID–19, and for other purposes.

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

1 **SECTION 1. SHORT TITLE; AMENDMENT TO SOCIAL SECUR-**  
2 **RITY ACT; TABLE OF CONTENTS.**

3 (a) **SHORT TITLE.**—This Act may be cited as the  
4 “Jobs for Economic Recovery Act of 2020”.

5 (b) **AMENDMENTS TO SOCIAL SECURITY ACT.**—Ex-  
6 cept as otherwise specifically provided, whenever in this  
7 Act an amendment is expressed in terms of an amendment  
8 to or repeal of a section or other provision, the reference  
9 shall be considered to be made to that section or other  
10 provision of the Social Security Act.

11 (c) **TABLE OF CONTENTS.**—The table of contents for  
12 this Act is as follows:

- Sec. 1. Short title; amendment to Social Security Act; table of contents.
- Sec. 2. Purpose.
- Sec. 3. Employment, training, and supportive services program.
- Sec. 4. Employee retention work opportunity credit.
- Sec. 5. Conforming amendments.
- Sec. 6. Effective date; regulations.

13 **SEC. 2. PURPOSE.**

14 The purposes of this Act are the following:

15 (1) To provide immediate funding for sub-  
16 sidized employment programs that will create job op-  
17 portunities for individuals who have become unem-  
18 ployed or underemployed as a result of COVID–19  
19 when it is safe to provide such opportunities, taking  
20 into account the need to prevent the spread or recur-  
21 rence of COVID–19.

1           (2) To expand subsidized employment programs  
2           that reconnect unemployed and underemployed  
3           workers to the workforce.

4           (3) To drive economic recovery by allowing for  
5           sufficient State and local flexibility to create or ex-  
6           pand programs that place workers in jobs that fill  
7           community-specific workforce gaps and meet em-  
8           ployer needs.

9           (4) To prevent long-term joblessness and struc-  
10          tural unemployment and provide work opportunities  
11          for individuals with barriers to employment.

12 **SEC. 3. EMPLOYMENT, TRAINING, AND SUPPORTIVE SERV-**  
13 **ICES PROGRAM.**

14          (a) ESTABLISHMENT.—The Social Security Act (42  
15 U.S.C. 301 et seq.) is amended by inserting after title XII  
16 the following:

17 **“TITLE           XIII—REEMPLOYMENT**  
18 **AND       OTHER       JOB-RELATED**  
19 **ASSISTANCE AND BENEFITS**

20 **“SEC. 1301. PURPOSE; DEFINITIONS; ADMINISTRATION.**

21          “(a) PURPOSE.—The purpose of this title is to pro-  
22 vide funds to States, Indian tribes, local governments, and  
23 nonprofit organizations to initiate and expand the provi-  
24 sion of employment services, training and other services

1 and activities, and supportive services for eligible individ-  
2 uals in order to—

3 “(1) promote subsidized employment programs  
4 for public, private for-profit, private non-profit, and  
5 employment social enterprise sector jobs that enable  
6 unemployed or underemployed individuals to earn in-  
7 come and connect to the workforce;

8 “(2) expand the availability of jobs during eco-  
9 nomic downturns or in areas with high unemploy-  
10 ment or poverty;

11 “(3) provide economically and socially disadvan-  
12 taged individuals and individuals with barriers to  
13 employment (such as the long-term unemployed,  
14 people with criminal records, former foster youth,  
15 and other economically and socially disadvantaged  
16 populations) with wages and the ability to gain job  
17 experience;

18 “(4) provide employers with new pathways into  
19 the workforce development system enabling them to  
20 have a greater role in the training and hiring of new  
21 workers and labor market re-entrants and facili-  
22 tating their transition from subsidized job place-  
23 ments to unsubsidized employment; and

24 “(5) allow for sufficient flexibility for States,  
25 Indian tribes, local governments, and nonprofit orga-

1 nizations to design programs targeted at community-  
2 specific workforce gaps and employer needs.

3 “(b) DEFINITIONS.—In this title:

4 “(1) ADULT AND DISLOCATED WORKER EM-  
5 PLOYMENT AND TRAINING ACTIVITIES.—The term  
6 ‘adult and dislocated worker employment and train-  
7 ing activities’ means adult and dislocated worker  
8 employment and training activities funded under  
9 chapter 3 of subtitle B of title I of the Workforce  
10 Innovation and Opportunity Act.

11 “(2) DISLOCATED WORKER.—The term ‘dis-  
12 located worker’ has the meaning given that term in  
13 section 3 of the Workforce Innovation and Oppor-  
14 tunity Act.

15 “(3) ELIGIBLE INDIVIDUAL.—The term ‘eligible  
16 individual’ means an individual who, on the basis of  
17 an assessment by the State, has been determined to  
18 be unlikely to find unsubsidized employment due  
19 to—

20 “(A) being an individual with a barrier to  
21 employment;

22 “(B) being a dislocated worker; or

23 “(C) a period of economic downturn or ad-  
24 verse local or national economic conditions.

1           “(4) EMPLOYMENT SERVICES.—The term ‘em-  
2           ployment services’ means a subsidized job placement  
3           (including a transitional job described in section  
4           134(d)(5) of the Workforce Innovation and Oppor-  
5           tunity Act) in the public, private for-profit, private  
6           non-profit, or employment social enterprise sector  
7           and includes payment or reimbursement of employer  
8           subsidies for wages, the employer share of payroll  
9           taxes, employer costs for unemployment insurance,  
10          employer costs for workers’ compensation premiums,  
11          and costs attributable to supervision and other ad-  
12          ministration directly related to the employment of an  
13          eligible individual in the subsidized job placement.

14           “(5) INDIAN TRIBE.—The term ‘Indian tribe’  
15          has the meaning given that term in section 419(4).

16           “(6) INDIVIDUAL WITH A BARRIER TO EMPLOY-  
17          MENT.—The term ‘individual with a barrier to em-  
18          ployment’ has the meaning given that term in sec-  
19          tion 3 of the Workforce Innovation and Opportunity  
20          Act and includes an individual who is an offender  
21          (as defined in such section).

22           “(7) INTEGRATED EDUCATION AND TRAIN-  
23          ING.—The term ‘integrated education and training’  
24          has the meaning given that term in section 3 of the  
25          Workforce Innovation and Opportunity Act.

1           “(8) PAYROLL TAXES.—The term ‘payroll  
2 taxes’ means taxes under section 3111, 3221, 3301,  
3 or 3321 of the Internal Revenue Code of 1986, and  
4 any similar State or local tax imposed on employers.

5           “(9) PERIOD OF ECONOMIC DOWNTURN.—The  
6 term ‘period of economic downturn’ means, with re-  
7 spect to a State, a period of one or more consecutive  
8 months during which, for each month of such pe-  
9 riod—

10           “(A) the average rate of total unemploy-  
11 ment in the United States (seasonally adjusted)  
12 for the most recent 3 months for which data is  
13 available is at least 5.5 percent; or

14           “(B) the average rate of total unemploy-  
15 ment in such State (seasonally adjusted) for the  
16 most recent 3 months for which data for all  
17 States is available is at least 5.5 percent.

18           “(10) SUPPORTIVE SERVICES.—

19           “(A) IN GENERAL.—The term ‘supportive  
20 services’ has the meaning given that term in  
21 section 3 of the Workforce Innovation and Op-  
22 portunity Act.

23           “(B) ADDITIONAL SERVICES.—Such term  
24 includes any of the following:

1                   “(i) Stipends for an eligible individual  
2                   provided with unpaid training services.

3                   “(ii) Legal services.

4                   “(iii) Other supplemental services nec-  
5                   essary for an eligible individual to partici-  
6                   pate in the State program funded under  
7                   this title.

8                   “(11) STATE EXPENDITURES.—The term ‘State  
9                   expenditures’ means all State or local funds that are  
10                  expended by the State or a local agency including  
11                  State or local funds that are matched or reimbursed  
12                  by the Federal Government and State or local funds  
13                  that are not matched or reimbursed by the Federal  
14                  Government.

15                  “(12) TIER-1 PRACTICE.—Subject to subsection  
16                  (c), the term ‘tier-1 practice’ means a practice  
17                  that—

18                         “(A) offers a new or potentially effective  
19                         strategy for addressing widely shared workforce  
20                         challenges; and

21                         “(B) has not been systematically studied  
22                         but is supported by a strong logic model.

23                  “(13) TIER-2 PRACTICE.—Subject to subsection  
24                  (c), the term ‘tier-2 practice’ means a practice that  
25                  will expand knowledge about the efficacy of a work-

1 force strategy and provide more information about  
2 the feasibility of implementing proven workforce  
3 strategies in different contexts and is, with respect  
4 to a State—

5 “(A) a practice that has been implemented  
6 by a State program and evaluated by a State or  
7 by a third party and the evaluation results indi-  
8 cate potential for positive impacts on partici-  
9 pant or system-wide outcomes; or

10 “(B) a practice that has not been pre-  
11 viously implemented by the State, but is sup-  
12 ported by evidence of positive change and has  
13 been evaluated before using a pre- and post-as-  
14 sessment comparison between intervention and  
15 comparison groups and suggests some statis-  
16 tically significant evidence of positive change.

17 “(14) TIER-3 PRACTICE.—Subject to subsection  
18 (c), the term ‘tier-3 practice’ means with respect to  
19 a State, a practice that—

20 “(A) previously has been implemented by a  
21 program funded by a State; and

22 “(B) previously has been evaluated using a  
23 random assignment or quasi-experimental de-  
24 sign and the evaluation findings indicate some

1 statistically significant positive impacts on par-  
2 ticipant or system wide outcomes.

3 “(15) TRAINING AND OTHER SERVICES OR AC-  
4 TIVITIES.—The term ‘training and other services or  
5 activities’ means any of the following services or ac-  
6 tivities if provided in conjunction with, including in  
7 preparation for, a subsidized job placement and de-  
8 termined by the State as necessary to significantly  
9 increase the likelihood that the job placement will be  
10 successful for the employer and employee and may  
11 improve the prospect of obtaining and retaining un-  
12 subsidized jobs:

13 “(A) Services provided through adult and  
14 dislocated worker employment and training ac-  
15 tivities.

16 “(B) Integrated education and training.

17 “(C) Education directly related to employ-  
18 ment.

19 “(D) Vocational and employment services  
20 integrated with trauma-informed substance use  
21 disorder treatment, in collaboration with a sub-  
22 stance use disorder treatment provider.

23 “(E) Casework and job coaching.

24 “(F) Union-provided employment services,  
25 including labor-management training.

1       “(c) OUTCOME MEASURES REQUIRED.—A practice  
2 shall not be considered to be a tier-1, tier-2, or tier-3 prac-  
3 tice unless the practice is intended, studied, or evaluated  
4 for purposes of making meaningful improvements in vali-  
5 dated measures of important outcomes for eligible individ-  
6 uals and their families, such as recidivism, health, employ-  
7 ment, and economic well-being over the short and long-  
8 term.

9       “(d) ADMINISTRATION.—Subject to section 1302(d),  
10 the program under this title shall be administered by the  
11 Secretary through the Assistant Secretary for the Admin-  
12 istration for Children and Families within the Department  
13 of Health and Human Services and in consultation with  
14 the Secretary of Labor as appropriate.

15       “(e) APPROPRIATED ENTITLEMENT.—

16               “(1) IN GENERAL.—This title establishes an en-  
17 titlement to payments under this title for States, In-  
18 dian tribes and tribal consortiums, and local govern-  
19 ments with plans approved under this title.

20               “(2) AUTHORIZATION OF APPROPRIATIONS.—

21 There are authorized to be appropriated to the Sec-  
22 retary to carry out this title for each fiscal year be-  
23 ginning with fiscal year 2020, such sums as are nec-  
24 essary.

1 **“SEC. 1302. STATE PLAN REQUIREMENTS.**

2 “(a) IN GENERAL.—A State is not eligible for pay-  
3 ment under section 1304 unless the State has submitted  
4 to the Secretary a plan that describes—

5 “(1) the State’s strategy for creating or ex-  
6 panding programs that offer subsidized employment  
7 for eligible individuals and moving such individuals  
8 into unsubsidized employment;

9 “(2) how such strategy fits with the State’s  
10 overall strategy for, and assessment of, the State’s  
11 workforce needs;

12 “(3) the employment services, training and  
13 other services or activities, and supportive services to  
14 be provided under the State program funded under  
15 this title;

16 “(4) which specific populations of eligible indi-  
17 viduals the State will serve, with a focus on how the  
18 State plans to assess and serve the eligible individ-  
19 uals with serious or multiple barriers to employment;

20 “(5) the strategies the State will use for out-  
21 reach and engagement with the populations specified  
22 under paragraph (4) to ensure that such populations  
23 are aware of subsidized employment opportunities in  
24 their community;

25 “(6) the strategies the State will use to ensure  
26 that its programs do not systematically exclude the

1 eligible individuals with the greatest barriers to em-  
2 ployment;

3 “(7) the strategies the State will use for out-  
4 reach, engagement, and ongoing collaboration with  
5 employers to promote employers’ use of the program  
6 and ensure employers have the training necessary to  
7 support eligible individuals;

8 “(8) the strategies the State will use to create  
9 employment plans for eligible individuals partici-  
10 pating in the State program funded under this title  
11 and, based on such plans, provide eligible individuals  
12 with employment services, training and other serv-  
13 ices and activities, and supportive services;

14 “(9) how the State will coordinate the State  
15 program funded under this title with other relevant  
16 systems and programs based on the populations  
17 identified which may include criminal justice, child  
18 support, juvenile justice, child welfare, homeless  
19 services, unemployment insurance, and other human  
20 services and workforce development programs of the  
21 State, including programs supported through the  
22 Workforce Innovation and Opportunity Act;

23 “(10) how the State will ensure employers par-  
24 ticipating in the program comply with the non-  
25 displacement requirements of section 1305(c);

1           “(11) a plan for regular, well-executed evalua-  
2           tion of the State program funded under this title, in-  
3           cluding how the State plans to measure program  
4           outcomes and impacts and whether the State plans  
5           to employ a quasi-experimental or experimental re-  
6           search design;

7           “(12) how the State will address gaps in em-  
8           ployment and earnings by race, ethnicity, age, and  
9           gender and collect data to measure progress in ad-  
10          dressing those gaps;

11          “(13) how the State will incorporate feedback  
12          from eligible individuals participating in the State  
13          program to improve the program over time; and

14          “(14) such information about other aspects of  
15          the plan as the Secretary may request.

16          “(b) OTHER REQUIREMENTS.—The State shall in-  
17          clude with the plan a certification that supportive services  
18          for eligible individuals will supplement, and not supplant,  
19          other assistance provided by the State.

20          “(c) DEADLINES FOR SUBMISSION.—

21                 “(1) INITIAL PLAN.—The initial State plan  
22                 under this section shall be submitted by the State  
23                 agency or agencies responsible for administering the  
24                 State program under this title to the Secretary not  
25                 later than 90 days prior to the commencement of the

1 State program funded under this title and shall be  
2 for the period beginning on the first day of the com-  
3 mencement of the State program funded under the  
4 title and ending on the day that is the last day of  
5 the period covered by the unified State plan or com-  
6 bined State plan submitted by the State under sec-  
7 tion 102 or 103 of the Workforce Innovation and  
8 Opportunity Act that is in effect as of the date of  
9 submission.

10 “(2) SUBSEQUENT PLANS.—Each State plan  
11 submitted under this section after the initial State  
12 plan shall be submitted at the same time and apply  
13 for the same period, as a unified State plan or a  
14 combined State plan submitted by the State under  
15 section 102 or 103 of the Workforce Innovation and  
16 Opportunity Act.

17 “(3) APPROVAL.—Each State plan submitted  
18 under this section by the State agency or agencies  
19 responsible for administering the State program  
20 under this title, and any amendments to the plan,  
21 shall be subject to the approval of the Secretary, in  
22 consultation with the Secretary of Labor as appro-  
23 priate.

24 “(d) STATE AGENCY.—At the option of the State, the  
25 program funded under this title shall be administered by

1 the lead State agency responsible for administering the  
2 State program funded under part A of title IV, the lead  
3 State agencies responsible for administering the adult and  
4 dislocated worker employment and training activities of  
5 the State, or jointly by such agencies.

6 **“SEC. 1303. USE OF FUNDS.**

7 “(a) AUTHORIZED USES.—

8 “(1) IN GENERAL.—Subject to paragraph (2), a  
9 State shall use funds paid under section 1304 to  
10 provide eligible individuals with—

11 “(A) employment services;

12 “(B) training and other services and activi-  
13 ties; and

14 “(C) supportive services while eligible indi-  
15 viduals are provided with employment services  
16 and training and other services and activities.

17 “(2) SPENDING REQUIREMENT.—Not less than  
18 70 percent of the total amount paid to a State for  
19 a fiscal year quarter shall be for expenditures attrib-  
20 utable to employment services that are payment for  
21 or reimbursement of employer costs for wages, the  
22 employer share of payroll taxes, employer costs for  
23 unemployment insurance, employer costs for work-  
24 ers’ compensation premiums, or costs for employer-

1 provided on-the-job training for subsidized job place-  
2 ments of eligible individuals.

3 “(3) TRAINING.—A State may use such funds  
4 for training employers, agency personnel, and other  
5 individuals related to the administration of the State  
6 program funded under this title on issues related to  
7 providing eligible individuals with employment serv-  
8 ices, training and other services and activities, and  
9 supportive services.

10 “(4) ADMINISTRATIVE COSTS.—Subject to sec-  
11 tion 1304(e), a State may use such funds for the  
12 proper and efficient administration of the State pro-  
13 gram funded under this title.

14 “(b) EVIDENCE-BASED PRACTICES AND ACTUAL JOB  
15 PLACEMENTS REQUIRED.—

16 “(1) IN GENERAL.—Subject to paragraph (3),  
17 only State expenditures for employment services,  
18 training and other services and activities, and sup-  
19 portive services provided to eligible individuals that  
20 meet the following conditions shall be eligible for a  
21 Federal matching payment under section 1304:

22 “(A) The employment services, training  
23 and other services and activities, supportive  
24 services are provided in accordance with prac-

1 tices that meet the requirements for being con-  
2 sidered a tier-1, tier-2, or tier-3 practice.

3 “(B) The State can demonstrate that the  
4 employment services, training and other serv-  
5 ices and activities, and supportive services pro-  
6 vided for an eligible individual resulted in em-  
7 ployment (subsidized or unsubsidized) for the  
8 eligible individual, or can demonstrate good  
9 cause for why the job placement or employment  
10 did not occur, which may include the failure of  
11 an employer or an eligible individual to carry  
12 out the employer’s or individual’s commitments  
13 to the State program.

14 “(2) TIER-2 OR TIER-3 PRACTICES.—Beginning  
15 with the 21st fiscal year quarter for which the State  
16 carries out the program funded under this title, not  
17 less than 50 percent of the total amount expended  
18 by the State for the quarter shall be for employment  
19 services, training and other services and activities,  
20 and supportive services provided in accordance with  
21 practices that meet the requirements for being con-  
22 sidered a tier-2 or tier-3 practice.

23 “(3) PERIODS OF ECONOMIC DOWNTURN.—The  
24 Secretary may waive any of the limitations on eligi-  
25 ble expenditures under paragraphs (1) and (2) with

1       respect to one or more State programs funded under  
2       this title during any period of economic downturn in  
3       the State.

4       “(c) EVALUATIONS.—A State shall be eligible to re-  
5       ceive a payment under section 1304 for budgeted expendi-  
6       tures attributable to evaluating the State program funded  
7       under this title if—

8               “(1) the State submits to the Secretary a de-  
9       scription of and budget for the proposed evaluation;  
10       and

11              “(2) the Secretary determines that—

12                      “(A) the budget for the proposed evalua-  
13                      tion is justifiable; and

14                      “(B) the design and approach of the pro-  
15                      posed evaluation is rigorous, will use data to  
16                      statistically measure program outcomes and im-  
17                      pacts, and is likely to yield information that is  
18                      credible and will be useful to the State.

19       **“SEC. 1304. PAYMENTS TO STATES.**

20       “(a) PAYMENTS TO STATES.—Subject to section  
21       1303 and subsections (b) and (c) of this section, beginning  
22       with the first fiscal year quarter for which a State plan  
23       is approved under this title, and for each quarter there-  
24       after, the Secretary shall pay each State, out of any money  
25       in the Treasury not otherwise appropriated, an amount

1 equal to the Federal medical assistance percentage that  
2 applies for the fiscal year to the State under section  
3 1905(b) (without regard to any adjustments to such per-  
4 centage applicable under that section or any other provi-  
5 sion of law) of the total amount expended by the State  
6 during the quarter to provide eligible individuals with em-  
7 ployment services, training and other services and activi-  
8 ties, and supportive services and, subject to subsection (e),  
9 for the proper and efficient administration of the program  
10 funded under this title.

11       “(b) INCREASED FEDERAL SUPPORT DURING ECO-  
12 NOMIC DOWNTURNS.—

13               “(1) INCREASED FMAP.—

14                       “(A) IN GENERAL.—Beginning with any  
15 fiscal year quarter for which the total unem-  
16 ployment in a State (seasonally adjusted) for  
17 the period consisting of the most recent 3  
18 months for which data for all States are pub-  
19 lished equals or exceeds the applicable percent-  
20 age specified in paragraph (2), the Federal  
21 medical assistance percentage applicable to pay-  
22 ments made under subsection (a) to the State  
23 for the quarter shall be increased by the appli-  
24 cable number of percentage points specified in  
25 paragraph (2), except that in no case shall the

1 Federal medical assistance percentage applica-  
2 ble to payments under subsection (a) for a  
3 State for a quarter exceed 100 percent.

4 “(B) DURATION.—

5 “(i) IN GENERAL.—Subject to clause  
6 (ii), an increase in the Federal medical as-  
7 sistance percentage made in accordance  
8 with this subsection shall remain in effect  
9 with respect to payments made to a State  
10 under subsection (a) for at least 4 consecu-  
11 tive fiscal year quarters.

12 “(ii) ADDITIONAL INCREASE IN UNEM-  
13 PLOYMENT.—If during the period for  
14 which the Federal medical assistance per-  
15 centage for a State is increased under this  
16 subsection, the total unemployment in the  
17 State (seasonally adjusted) for the period  
18 consisting of the most recent 3 months for  
19 which data for all States are published ex-  
20 ceeds the applicable total unemployment  
21 rate that was the basis for such increase,  
22 the increase in the Federal medical assist-  
23 ance percentage shall be the applicable  
24 number of percentage points specified in  
25 paragraph (2) that corresponds to the

1           most recent percentage of total unemploy-  
2           ment in the State, beginning with the first  
3           fiscal year quarter for which such percent-  
4           age of total unemployment occurs and con-  
5           tinuing for 3 succeeding fiscal year quar-  
6           ters.

7           “(2) APPLICABLE PERCENTAGE; APPLICABLE  
8           NUMBER OF PERCENTAGE POINTS.—For purposes of  
9           paragraph (1), if the total unemployment in a State  
10          (seasonally adjusted) for the period consisting of the  
11          most recent 3 months for which data for all States  
12          are published is—

13                 “(A) equal to or greater than 5.5 percent  
14                 but less than 6 percent, the applicable number  
15                 of percentage points is 20;

16                 “(B) equal to or greater than 6 percent  
17                 but less than 6.5 percent, the applicable num-  
18                 ber of percentage points is 30;

19                 “(C) equal to or greater than 6.5 percent  
20                 but less than 7 percent, the applicable number  
21                 of percentage points is 40; and

22                 “(D) equal to or greater than 7 percent,  
23                 the applicable number of percentage points is  
24                 50.

1       “(c) MAINTENANCE OF EFFORT.—As a condition of  
2 receiving payments under this section for a fiscal year—

3           “(1) the total amount of State expenditures for  
4 employment services, training and other services and  
5 activities, and supportive services provided through  
6 the adult and dislocated worker employment and  
7 training activities of the State for the fiscal year  
8 shall not be less than the amount of such expendi-  
9 tures for fiscal year 2019; and

10          “(2) the total amount of State expenditures for  
11 work, education, and training activities and work  
12 supports under the State program funded under  
13 part A of title IV shall not be less than the total  
14 amount of such State expenditures for the preceding  
15 fiscal year.

16       “(d) ADMINISTRATION OF PAYMENTS.—

17           “(1) IN GENERAL.—Prior to the beginning of  
18 each fiscal quarter, the Secretary shall estimate the  
19 amount to which a State will be entitled under this  
20 section for such quarter, based on—

21           “(A) a report filed by the State containing  
22 its estimate of the total sum to be expended in  
23 such quarter to provide eligible individuals with  
24 employment services, training and other serv-  
25 ices and activities, and supportive services

1 through the program funded under this title;  
2 and

3 “(B) such other investigation as the Sec-  
4 retary may find necessary.

5 “(2) PAYMENTS.—The Secretary shall then pay  
6 to the State, in such installments as the Secretary  
7 shall determine, the amount so estimated, reduced or  
8 increased to the extent of any overpayment or un-  
9 derpayment which the Secretary determines was  
10 made under this section to such State for any prior  
11 quarter and with respect to which adjustment has  
12 not already been made under this subsection.

13 “(e) LIMITATION.—Beginning with the fifth fiscal  
14 year quarter for which a State plan is approved under this  
15 title, and for each quarter thereafter, a State shall not  
16 receive a payment under this section for amounts ex-  
17 pended by the State during the quarter for the proper and  
18 efficient administration of the program funded under this  
19 title that exceed the amount equal to 15 percent of the  
20 amount expended by the State during the quarter to pro-  
21 vide eligible individuals with employment services, training  
22 and other services and activities, and supportive services.

23 “(f) PLANNING AND IMPLEMENTATION GRANTS;  
24 TECHNICAL ASSISTANCE.—

1           “(1) IN GENERAL.—In addition to amounts  
2 available to make payments to States under sub-  
3 section (a), the Secretary shall make grants to  
4 States, Indian tribes (or intertribal consortiums with  
5 a tribal family assistance plan approved under sec-  
6 tion 412), and local governments for costs attrib-  
7 utable to the planning and implementation of a  
8 State or tribal program funded under this title and  
9 shall provide technical assistance to States and In-  
10 dian tribes with respect to the planning and imple-  
11 mentation of such a program.

12           “(2) REQUIREMENTS.—

13           “(A) COMMUNITY ENGAGEMENT.—As a  
14 condition of receiving a grant under this sub-  
15 section, a State or Indian tribe shall engage  
16 local communities, including focus groups of  
17 target populations of eligible individuals and  
18 employers, in the planning and implementation  
19 of the State or tribal program funded under  
20 this title.

21           “(B) 2-YEAR LIMIT.—No State or Indian  
22 tribe shall receive a grant under this subsection  
23 for more than 8 quarters.

1                   “(C) NO MATCHING PAYMENT RE-  
2                   QUIRED.—No matching payment shall apply to  
3                   the grants made under this subsection.

4 **“SEC. 1305. OTHER PROGRAM REQUIREMENTS.**

5                   “(a) ASSESSMENT AND EMPLOYMENT PLAN.—

6                   “(1) IN GENERAL.—The State shall establish  
7                   procedures to—

8                   “(A) assess, within 30 days of determining  
9                   that an individual is an eligible individual, the  
10                  eligible individual’s job skills, education, past  
11                  work experience, and potential barriers to em-  
12                  ployment; and

13                  “(B) create, based on such assessment, an  
14                  individualized employment plan for each eligible  
15                  individual participating in the program that—

16                  “(i) specifies—

17                          “(I) the initial plan for the eligi-  
18                          ble individual, including whether the  
19                          eligible individual is to immediately  
20                          begin working in a subsidized job or  
21                          needs training and other services and  
22                          activities, or supportive services before  
23                          that placement can occur; and

24                          “(II) the employment services  
25                          that will be provided to the eligible in-

1           dividual, as well as the training and  
2           other services and activities, and sup-  
3           portive services that will be provided  
4           to the eligible individual while the eli-  
5           gible individual is working in a sub-  
6           sidized job; and

7           “(ii) provides that, near the end of the  
8           individual’s initial placement in a sub-  
9           sidized job, an assessment will be made re-  
10          garding whether the eligible individual will  
11          be converted to a permanent, unsubsidized  
12          employee, and if not, the job search assist-  
13          ance and additional employment services,  
14          training and other services and activities,  
15          and supportive services that will be pro-  
16          vided to the eligible individual with the  
17          goal of obtaining and retaining unsub-  
18          sidized employment.

19          “(2) NO DISCRIMINATION AGAINST INDIVID-  
20          UALS WITH HIGHEST BARRIERS TO EMPLOYMENT.—  
21          The State shall ensure that the procedures estab-  
22          lished under paragraph (1) do not result in an eligi-  
23          ble individual being disqualified from receiving em-  
24          ployment services on the basis of the individual’s  
25          barriers to employment.

1           “(3) NONDISCRIMINATION.—The State shall en-  
2           sure that the procedures established under para-  
3           graph (1) do not have the effect of making any eligi-  
4           ble individual less likely to receive employment serv-  
5           ices on the basis of the individual’s race, sex, reli-  
6           gious creed, national origin, or political affiliation.

7           “(b) EMPLOYMENT STANDARDS AND CRITERIA FOR  
8           SUBSIDIZED JOBS.—

9           “(1) GENERAL REQUIREMENTS.—Any sub-  
10          sidized job placement for an eligible individual par-  
11          ticipating in the State program funded under this  
12          title shall satisfy the following requirements:

13                 “(A) Employment services that are pay-  
14                 ment for or reimbursement of employer costs  
15                 may only be used by an employer in the public,  
16                 private for-profit, private non-profit, or employ-  
17                 ment social enterprise sector for costs that are  
18                 attributable to the hiring of, compensation for,  
19                 or on-the-job training of, the eligible individual.

20                 “(B) An employer in the public, private  
21                 for-profit, private non-profit, or employment so-  
22                 cial enterprise sector shall not be paid a subsidy  
23                 that exceeds 120 percent of wage costs.

1           “(C) An eligible individual in a subsidized  
2 job placement shall be paid at a rate that is not  
3 less than whichever of the following is highest:

4           “(i) the minimum hourly wage rate  
5 applicable to the individual under the laws  
6 of the State or locality in which the indi-  
7 vidual is employed;

8           “(ii) the wage rate applicable under  
9 section 6 of the Fair Labor Standards Act  
10 of 1938 (29 U.S.C. 206);

11           “(iii) if determined appropriate by the  
12 State program funded under this title, the  
13 prevailing wage rate in the locality in  
14 which the individual is employed as deter-  
15 mined by the Secretary of Labor, based on  
16 area surveys of wage rates conducted by  
17 the Department of Labor; and

18           “(iv) where a collective-bargaining  
19 agreement covers employees at the site of  
20 the subsidized job placement, a rate set for  
21 the eligible individual in accordance with  
22 the rates provided for in the agreement, in-  
23 cluding prospective wage increases pro-  
24 vided for in the agreement.

1           “(D) An eligible individual in a subsidized  
2 job placement shall be covered by all relevant  
3 labor and employment laws.

4           “(E) Subject to paragraph (5), a sub-  
5 sidized job placement for an eligible individual  
6 shall not exceed 6 months unless the placement  
7 is extended for not more than 6 additional  
8 months for purposes of improving the work ex-  
9 perience, training and other services and activi-  
10 ties, and supportive services needs of an eligible  
11 individual with less prior work experience, more  
12 skill development and training needs, or greater  
13 employment barriers.

14           “(F) Employers participating in the State  
15 program agree to make a good faith effort to  
16 hire an eligible individual placed in a subsidized  
17 job in their employment if the individual has  
18 demonstrated satisfactory performance and the  
19 employer has a relevant job opening available  
20 and to maintain a record of the share of sub-  
21 sidized workers hired to unsubsidized positions  
22 on a permanent basis.

23           “(G) Employers shall ensure that the site  
24 of employment is a location where an eligible  
25 individual in a subsidized job placement who is

1 an individual with a disability, as defined in  
2 section 7 of the Rehabilitation Act of 1973 (29  
3 U.S.C. 705), interacts with other persons who  
4 are not such individuals with disabilities (not  
5 including supervisory personnel or individuals  
6 who are providing services to such worker) to  
7 the same extent as individuals who are not such  
8 individuals with disabilities and who are in com-  
9 parable positions interact with other persons.

10 “(H) For a site of employment at which  
11 workers are covered by a collective bargaining  
12 agreement, no subsidized job placement shall be  
13 made at the site without the consent of all labor  
14 organizations representing workers at such site.

15 “(I) In a case where the State is consid-  
16 ering placing an eligible individual with an em-  
17 ployer who has previously participated in the  
18 State program, the State shall consider feed-  
19 back from workers previously placed with that  
20 employer when determining whether to continue  
21 placing eligible individuals in subsidized jobs  
22 with that employer.

23 “(J) A subsidized job placement in a gov-  
24 ernment agency shall be subject to the same

1 civil service protections otherwise applicable to  
2 similar jobs at such agency.

3 “(K) An eligible individual who works on  
4 average at least 30 hours of service per week in  
5 a subsidized job placement with an employer  
6 shall be treated as a full-time employee of such  
7 employer for purposes of section 4980H of the  
8 Internal Revenue Code of 1986.

9 “(2) EMPLOYER OF RECORD.—

10 “(A) IN GENERAL.—With respect to eligi-  
11 ble individuals in subsidized job placements, the  
12 employer of record may be—

13 “(i) the employer for whom the indi-  
14 vidual performs work;

15 “(ii) the State or a political subdivi-  
16 sion of the State; or

17 “(iii) a third party that has entered  
18 into an agreement with the State to serve  
19 as the employer of record with respect to  
20 eligible individuals participating in the  
21 State program funded under this title.

22 “(B) EVALUATIONS.—If the employer of  
23 record with respect to an eligible individual in  
24 a subsidized job placement is not the employer  
25 for whom the individual performs work, any

1 employer evaluation required under this title  
2 with respect to such job placement shall include  
3 an evaluation of both the employer of record  
4 and the employer for whom the individual per-  
5 forms work.

6 “(3) LIMITATION ON SUBSIDIZED JOB PLACE-  
7 MENTS PER EMPLOYER.—

8 “(A) IN GENERAL.—No more than 10 per-  
9 cent of the employees of an employer may be el-  
10 igible individuals whose employment with such  
11 employer is subsidized under this title, except  
12 that—

13 “(i) an employer with fewer than 10  
14 employees may employ one such individual;

15 “(ii) an employer with more than 500  
16 employees may not employ more than 50  
17 such individuals;

18 “(iii) there shall be no limitation on  
19 the number of subsidized job placements  
20 per employer if the employer’s mission, as  
21 reviewed and evaluated by the State on an  
22 annual basis, includes the provision of em-  
23 ployment services, training and other serv-  
24 ices and activities, or supportive services to  
25 individuals with barriers to employment,

1 subject to the State program’s annual re-  
2 view of the outcomes and experiences of el-  
3 igible individuals in subsidized job place-  
4 ments with the employer.

5 “(B) APPLICATION TO EMPLOYERS OF  
6 RECORD.—For purposes of the limitations de-  
7 scribed in subparagraph (A), if an eligible indi-  
8 vidual in a subsidized job placement performs  
9 work for an employer that is not the individ-  
10 ual’s employer of record—

11 “(i) the individual shall not be consid-  
12 ered to be employed by the employer of  
13 record; and

14 “(ii) the individual shall be considered  
15 to be employed by the employer for whom  
16 the individual performs work.

17 “(4) ADDITIONAL PLACEMENTS.—If, after com-  
18 pleting a subsidized job placement, an eligible indi-  
19 vidual is unemployed for at least 4 weeks (regardless  
20 of whether such weeks are consecutive), the eligible  
21 individual may apply for a new subsidized job place-  
22 ment but the immediately subsequent placement  
23 may only be with a different employer (but may be  
24 with the same employer of record, provided that the  
25 individual is performing work for a different em-

1       ployer than the employer for whom the individual  
2       performed work in the previous subsidized job place-  
3       ment).

4               “(5) STATE VARIATION PERMITTED.—Employer  
5       subsidies for a subsidized job placement may vary  
6       within a State and among States carrying out pro-  
7       grams under this title provided that all eligible indi-  
8       viduals employed in subsidized jobs shall be paid not  
9       less than the rate specified in subsection (b)(1)(C)  
10      and shall be covered by all relevant labor and em-  
11      ployment laws.

12              “(6) EXCEPTIONS.—With respect to any period  
13      for which the total unemployment in a State (sea-  
14      sonally adjusted) for the period consisting of the  
15      most recent 3 months for which data for all States  
16      are published equals or exceeds 5.5 percent, the Sec-  
17      retary may waive the limit on the duration of a sub-  
18      sidized job placement under paragraph (1)(E).

19              “(c) NONDISPLACEMENT.—An employer shall not use  
20      an eligible individual subsidized job placement if—

21              “(1) employing such individual will result in the  
22      layoff or partial displacement (such as a reduction  
23      in hours, wages, or employment benefits) of an exist-  
24      ing employee or position of the employer;



1 411(a)(1) a report on the State program funded  
2 under this title that contains such data and informa-  
3 tion as the Secretary shall require.

4 “(2) REPORTS TO CONGRESS.—The Secretary  
5 shall submit with each annual report to Congress re-  
6 quired under section 411(b) a report on the State  
7 programs funded under this title.

8 “(b) ONGOING PERFORMANCE ASSESSMENT.—

9 “(1) IN GENERAL.—The Secretary shall study  
10 and submit annual reports to Congress that—

11 “(A) measure the performances of the  
12 State programs funded under this title;

13 “(B) include information about the cat-  
14 egories of individuals and employers served by  
15 such programs and projects, including the ex-  
16 tent to which the State is serving the individ-  
17 uals with the greatest barriers to employment;  
18 and

19 “(C) describe the activities eligible individ-  
20 uals engaged in during the year and evaluate  
21 the quality of the services provided under such  
22 programs.

23 “(2) TIMING OF SUBMISSIONS.—The Secretary  
24 shall submit the reports required by paragraph  
25 (1)—

1           “(A) in the case of the first such report,  
2           2 years after the date on which the first State  
3           program funded under this title is established;  
4           and

5           “(B) in the case of subsequent reports, an-  
6           nually thereafter.

7           “(c) ALIGNMENT WITH WORKFORCE INNOVATION  
8           AND OPPORTUNITY ACT PROGRAMS.—The Secretary shall  
9           coordinate with the Secretary of Labor on aligning per-  
10          formance measures and regulations for the State pro-  
11          grams funded under this title with the performance meas-  
12          ures and regulations applicable to the core programs of  
13          States funded under the Workforce Innovation and Oppor-  
14          tunity Act.

15          “(d) INDIVIDUAL ELIGIBILITY ASSESSMENT GUID-  
16          ANCE.—The Secretary, in consultation with the Secretary  
17          of Labor as appropriate, shall study and issue guidance  
18          to States on best practices for assessing whether an indi-  
19          vidual satisfies the criteria for being an eligible individual  
20          under section 1301(b)(3) as being unlikely to find unsub-  
21          sidized employment due to individual barriers, the individ-  
22          ual’s status as a displaced worker, or economic conditions  
23          in the State in which the individual lives or works.

24          “(e) NEW PERFORMANCE MEASURES.—

1           “(1) IN GENERAL.—The Secretary shall create  
2           new performance measures that address income and  
3           earnings gains, job quality improvement, and pov-  
4           erty reduction (relative to both the official poverty  
5           line and the supplemental poverty measure) for eligi-  
6           ble individuals participating in the State program  
7           funded under this title and the families of such indi-  
8           viduals. Such performance measures shall be in ad-  
9           dition to the performance accountability measures  
10          under section 116(b) of the Workforce Innovation  
11          and Opportunity Act for the adult and dislocated  
12          worker employment and training activities of the  
13          State and aligned with the State program funded  
14          under this title.

15          “(2) PROGRAM ACCESS.—The Secretary shall  
16          create a measure of program access to determine the  
17          extent to which States are serving individuals with  
18          the greatest barriers to employment and the portion  
19          of State caseloads that are made up of such workers.

20          “(f) COORDINATION OF DATA COLLECTION.—

21          “(1) IN GENERAL.—The Secretary, in consulta-  
22          tion with the Secretary of Labor, shall determine the  
23          data States shall collect and report regarding the  
24          State program funded under this title and the extent  
25          to which that data collection and reporting, and re-

1       quired evaluations, can be coordinated with the data  
2       collection, reporting, and evaluations required for  
3       the State program funded under part A of title IV  
4       and the performance accountability measures under  
5       section 116(b) of the Workforce Innovation and Op-  
6       portunity Act for the adult and dislocated worker  
7       employment and training activities of the State.

8               “(2) COORDINATION WITH OTHER EFFORTS.—  
9       The Secretary, in consultation with the Secretary of  
10      Labor and the Secretary of Education, shall assure  
11      that the data collected under this title aligns as  
12      much as possible with efforts to collect longitudinal  
13      data related to the performance of education, train-  
14      ing, and workforce programs.

15      “(g) DISAGGREGATED DATA.—Data collected and  
16      submitted under this section shall be disaggregated by  
17      race, ethnicity, age, gender, and occupational category.

18      “(h) FUNDING.—The Secretary shall use funding  
19      made available under section 413(h)(1) for research, tech-  
20      nical assistance, and evaluation to conduct the perform-  
21      ance assessments required under subsection (b).

22      “(i) INSPECTOR GENERAL AUDIT.—The Inspector  
23      General of the Department of Health and Human Services  
24      shall biennially audit a sample of the State programs  
25      funded under this title to ensure compliance with program

1 requirements, including compliance with the nondisplace-  
2 ment requirements of section 1305(c), and to identify and  
3 protect against any waste, fraud, or abuse in such pro-  
4 grams.

5 **“SEC. 1307. DIRECT FUNDING AND ADMINISTRATION FOR**  
6 **PROGRAMS OPERATED BY INDIAN TRIBES.**

7 “(a) IN GENERAL.—An Indian tribe or intertribal  
8 consortium with a tribal family assistance plan approved  
9 under section 412 (or any Indian tribe that is a member  
10 of such a consortium) that proposes to establish a pro-  
11 gram under this title shall submit an application to the  
12 Secretary to directly receive payments for expenditures  
13 made to carry out the program (in this section referred  
14 to as a ‘tribal program application’).

15 “(b) TRIBAL PROGRAM APPLICATION REQUIRE-  
16 MENTS.—Subject to subsection (c), a tribal program appli-  
17 cation shall include a plan that meets the requirements  
18 of section 1302 in the same manner as such requirements  
19 apply to a State.

20 “(c) PROGRAM REQUIREMENTS.—The program re-  
21 quirements specified in this title shall apply to an Indian  
22 tribe or intertribal consortium with a tribal program appli-  
23 cation and plan approved under this section in the same  
24 manner as such requirements apply to a State except to  
25 the extent that an Indian tribe or intertribal consortium

1 requests, and the Secretary approves, a waiver or modi-  
2 fication of any such requirements.

3 “(d) PAYMENTS.—

4 “(1) IN GENERAL.—Subject to paragraph (2),  
5 the Secretary shall pay an Indian tribe or intertribal  
6 consortium with a tribal program application and  
7 plan approved under this section in the same man-  
8 ner as States are paid under section 1304.

9 “(2) APPLICATION OF TRIBAL FMAP.—The  
10 Federal medical assistance percentage that would  
11 apply under subsection (d) of section 479B if an In-  
12 dian tribe or tribal consortium operated a program  
13 under that section (in this subsection referred to as  
14 the ‘tribal FMAP’), shall apply to payments made to  
15 the Indian tribe or tribal consortium for expendi-  
16 tures attributable to carrying out a program under  
17 this title, unless the tribal FMAP is less than the  
18 Federal medical assistance percentage that applies  
19 to the State in which the Indian tribe or tribal con-  
20 sortium is located in which case the State Federal  
21 medical assistance percentage shall apply. In the  
22 case of an Indian tribe or tribal consortium that is  
23 located in more than one State, the State in which  
24 the Indian tribe or tribal consortium is located that

1 has the highest Federal medical assistance percent-  
2 age shall apply to the preceding sentence.

3 **“SEC. 1308. DIRECT FUNDING AND ADMINISTRATION FOR**  
4 **PROGRAMS OPERATED BY LOCAL GOVERN-**  
5 **MENTS.**

6 “(a) IN GENERAL.—The Secretary shall establish  
7 procedures under which a local government, or a consor-  
8 tium of local governments within a State, may submit an  
9 application to the Secretary to establish a program under  
10 this title and directly receive payments for expenditures  
11 made to carry out the program (in this section referred  
12 to as a ‘local government program application’), if—

13 “(1) the State in which the local government or  
14 consortium is located has not elected to establish a  
15 State program under this title; or

16 “(2) the local government or consortium can  
17 demonstrate that a local program would meet a need  
18 or serve a population that is not met or sufficiently  
19 served by the State program under this title.

20 “(b) LOCAL GOVERNMENT PROGRAM APPLICATION  
21 REQUIREMENTS.—Subject to subsection (c), a local gov-  
22 ernment program application shall include a plan that  
23 meets the requirements of section 1302 in the same man-  
24 ner as such requirements apply to a State.

1       “(c) PROGRAM REQUIREMENTS.—The program re-  
2       quirements specified in this title shall apply to a local gov-  
3       ernment or consortium with a local government program  
4       application and plan approved under this section in the  
5       same manner as such requirements apply to a State except  
6       to the extent that a local government or consortium re-  
7       quests, and the Secretary approves, a waiver or modifica-  
8       tion of any such requirements.

9       “(d) PAYMENTS.—The Secretary shall pay a local  
10      government or consortium with a local government pro-  
11      gram application and plan approved under this section in  
12      the same manner as States are paid under section 1304.

13      **“SEC. 1309. GRANTS TO NONPROFIT ORGANIZATIONS.**

14      “(a) IN GENERAL.—The Secretary, in consultation  
15      with the Secretary of Labor, shall award multi-year grants  
16      on a competitive basis to nonprofit organizations that sub-  
17      mit applications to carry out employment services pro-  
18      grams.

19      “(b) SCOPE OF GRANTS.—Grants under this sub-  
20      section may be regional programs or serve specific popu-  
21      lations.

22      “(c) APPLICATION PROCESS.—A nonprofit organiza-  
23      tion seeking a grant under this subsection shall submit  
24      an application to the Secretary at such a time, in such

1 a manner, and containing such information as the Sec-  
2 retary may reasonably require.

3 “(d) SELECTION.—The Secretary shall select appli-  
4 cants to receive a grant under this subsection based on—

5 “(1) the applicant’s level of experience and  
6 commitment to providing subsidized jobs;

7 “(2) the applicant’s demonstrated ability to re-  
8 cruit individuals of the region or other specific popu-  
9 lation served by the grant and provide work opportu-  
10 nities for such individuals; and

11 “(3) such other criteria as the Secretary deter-  
12 mines appropriate.

13 “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
14 are authorized to be appropriated to the Secretary to carry  
15 out this subsection for each of fiscal years 2020 through  
16 2025, such sums as are necessary.”.

17 (b) STUDY REGARDING INCENTIVES FOR PROGRAM  
18 PERFORMANCE.—

19 (1) IN GENERAL.—The Secretary of Health and  
20 Human Services shall enter into an agreement with  
21 the National Academy of Sciences to evaluate State  
22 programs carried out under part A of title XIII of  
23 the Social Security Act (as added by subsection (a)).

24 The evaluation shall analyze the relationships be-  
25 tween engagement, impacts, and outcome measures.

1 The evaluation shall also examine the issue of pro-  
2 gram performance and include recommendations to  
3 Congress as to whether and how program perform-  
4 ance could be tied to fiscal incentives.

5 (2) REPORT.—Not later than 7 years after the  
6 date of enactment of this Act, the Secretary of  
7 Health and Human Services shall submit to Con-  
8 gress a report containing the results of the evalua-  
9 tion conducted under paragraph (1), together with  
10 recommendations for such legislation and adminis-  
11 trative action as the Secretary determines appro-  
12 priate.

13 (c) PUBLIC INFORMATION ABOUT AVAILABILITY OF  
14 EMPLOYMENT SERVICES.—Not later than January 1,  
15 2022, the Secretary of Health and Human Services shall  
16 make information publicly available to jobseekers (either  
17 on a website established for such purpose or on an existing  
18 Federal online resource that provides information to job-  
19 seekers) about—

20 (1) whether they are eligible for employment  
21 services under a State, local government, or tribal  
22 program under title XIII of the Social Security Act  
23 (as added by subsection (a)); and

1           (2) the appropriate State, local government, or  
2           tribal agency to contact for further information  
3           about such services and programs.

4 **SEC. 4. EMPLOYEE RETENTION WORK OPPORTUNITY CRED-**  
5 **IT.**

6           (a) IN GENERAL.—Section 51 of the Internal Rev-  
7           enue Code of 1986 is amended by adding at the end the  
8           following new subsection:

9           “(1) EMPLOYEE RETENTION CREDIT.—

10           “(1) IN GENERAL.—The amount of the work  
11           opportunity credit determined under subsection (a)  
12           for the taxable year shall be increased by an amount  
13           equal to 40 percent of the qualified second-year  
14           wages for such year with respect to previously sub-  
15           sidized employees.

16           “(2) QUALIFIED SECOND-YEAR WAGES.—

17           “(A) IN GENERAL.—For purposes of this  
18           subsection, the term ‘qualified second-year  
19           wages’ means qualified wages (determined as if  
20           previously subsidized employees were members  
21           of a targeted group)—

22           “(i) which are paid to a previously  
23           subsidized employee, and

24           “(ii) which are attributable to service  
25           rendered during the 1-year period begin-

1           ning on the day after the last day of the  
2           1-year period with respect to such em-  
3           ployee determined under subsection (b)(2).

4           “(B) LIMITATION.—The amount of the  
5           qualified second-year wages which may be taken  
6           into account with respect to any individual shall  
7           not exceed \$6,000 per year.

8           “(3) PREVIOUSLY SUBSIDIZED EMPLOYEE.—  
9           For purposes of this subsection, the term ‘previously  
10          subsidized employee’ means an individual who is  
11          hired by an employer through the subsidized employ-  
12          ment program under title XIII of the Social Security  
13          Act and who has been employed by the same em-  
14          ployer for a consecutive 24 months as of the last day  
15          of the preceding taxable year.”.

16          (b) GAO STUDY.—The Comptroller General of the  
17          United States shall conduct a study on the employee re-  
18          tention credit under section 51(l) of the Internal Revenue  
19          Code of 1986 and, not later than 6 months after the last  
20          day of the second taxable year beginning after the date  
21          of the enactment of this Act, shall report to the Committee  
22          on Finance of the Senate and the Committee on Ways and  
23          Means of the House of Representatives—

24                  (1) whether such retention credit had a mean-  
25          ingful impact on retention as compared with other

1 currently existing and previous subsidized employ-  
2 ment programs; and

3 (2) whether such retention credit was easily un-  
4 derstood by employers and had an impact on hiring  
5 decisions in addition to any subsidy received under  
6 title XIII of the Social Security Act.

7 (c) EXTENSION OF WORK OPPORTUNITY CREDIT.—  
8 Paragraph (4) of section 51(c) of the Internal Revenue  
9 Code of 1986 is amended by striking “December 31,  
10 2020” and inserting “December 31, 2022”.

11 (d) EFFECTIVE DATE.—The amendments made by  
12 this section shall apply to taxable years beginning after  
13 the date of the enactment of this Act.

14 **SEC. 5. CONFORMING AMENDMENTS.**

15 (a) TANF.—

16 (1) STATE PLAN.—Section 402 (42 U.S.C. 602)  
17 is amended—

18 (A) in subsection (a)(1)—

19 (i) in subparagraph (A)(iii), by insert-  
20 ing “or employment services, training and  
21 other services and activities, and sup-  
22 portive services provided under the State  
23 program funded under title XIII” before  
24 the period; and

25 (ii) in subparagraph (B)—

1 (I) in clause (iv), by inserting “,  
 2 unless the parent or caretaker is par-  
 3 ticipating in the State program fund-  
 4 ed under title XIII” before the period;  
 5 and

6 (II) by adding at the end the fol-  
 7 lowing:

8 “(VI) The document shall indi-  
 9 cate whether the State elects to carry  
 10 out a State program to provide em-  
 11 ployment services, training and other  
 12 services and activities, and supportive  
 13 services under title XIII.”; and

14 (B) by adding at the end the following:

15 “(d) STATE OPTION TO SUBMIT PLAN THAT ALIGNS  
 16 WITH THE STATE PLAN UNDER TITLE XIII.—A State  
 17 may elect to submit the State plan required under this  
 18 section at the same time and in the same manner, and  
 19 to apply for the same period, as the State plan required  
 20 under section 1302.”.

21 (2) PARTICIPATION IN THE STATE EMPLOY-  
 22 MENT, TRAINING, AND SUPPORTIVE SERVICES PRO-  
 23 GRAM UNDER TITLE XIII—A DEEMED TO BE MEETING  
 24 WORK PARTICIPATION REQUIREMENTS.—Section

1 407(c)(2) (42 U.S.C. 607(c)(2)) is amended by add-  
2 ing at the end the following:

3 “(E) PARTICIPATION IN THE STATE EM-  
4 PLOYMENT, TRAINING, AND SUPPORTIVE SERV-  
5 ICES PROGRAM UNDER TITLE XIII—A DEEMED  
6 TO BE MEETING WORK PARTICIPATION RE-  
7 QUIREMENTS.—For purposes of determining  
8 monthly participation rates under paragraphs  
9 (1)(B)(i) and (2)(B) of subsection (b), the fol-  
10 lowing individuals are deemed to be engaged in  
11 work for a month:

12 “(i) RECIPIENTS.—Any recipient who  
13 is participating in the State employment,  
14 training, and supportive services program  
15 under title XIII (for any number of hours  
16 per week during the month) and is receiv-  
17 ing assistance under the State program  
18 funded under this part or under any State  
19 program funded with qualified State ex-  
20 penditures (as defined in section  
21 409(a)(7)(B)(i)).

22 “(ii) INDIVIDUALS WHO WOULD OTH-  
23 ERWISE BE RECIPIENTS.—Any individual  
24 who is participating in the State employ-  
25 ment, training, and supportive services

1 program under title XIII (for any number  
2 of hours per week during the month) and  
3 would be a recipient of assistance under  
4 the State program funded under this part  
5 or under any State program funded with  
6 qualified State expenditures (as defined in  
7 section 409(a)(7)(B)(i)) but for the indi-  
8 vidual’s participation in the State employ-  
9 ment, training and supportive services pro-  
10 gram under title XIII.”.

11 (3) TRIBAL PROGRAMS.—Section 412(b) (42  
12 U.S.C. 612(b)) is amended by adding at the end the  
13 following:

14 “(4) OPTION TO SUBMIT PLAN THAT ALIGNS  
15 WITH THE STATE PLAN UNDER TITLE XIII—A.—Sub-  
16 section (d) of section 402 shall apply to a tribal fam-  
17 ily assistance plan in the same manner as that sec-  
18 tion applies to a plan under that section.”.

19 (b) TITLE XI.—Section 1101(a)(1) of such Act (42  
20 U.S.C. 1301(a)(1)) is amended by striking “title XX” and  
21 inserting “titles XIII and XX”.

22 (c) INTERNAL REVENUE CODE.—Section  
23 51(c)(2)(B) of the Internal Revenue Code of 1986 is  
24 amended by striking “section 482(e)” and inserting “title  
25 XIII”.

1 (d) TABLE OF CONTENTS FOR TITLE XIII.—Title  
 2 XIII, as added by section 3(a), is amended by inserting  
 3 the following before section 1301:

“TITLE XIII—REEMPLOYMENT AND OTHER JOB-RELATED  
 ASSISTANCE AND BENEFITS

“Sec. 1301. Purpose; definitions; administration.

“Sec. 1302. State plan requirements.

“Sec. 1303. Use of funds.

“Sec. 1304. Payments to States.

“Sec. 1305. Other program requirements.

“Sec. 1306. Reports; technical assistance; research; audit requirement.

“Sec. 1307. Direct funding and administration for programs operated by In-  
 dian tribes.

“Sec. 1308. Direct funding and administration for programs operated by local  
 governments.

“Sec. 1309. Grants to nonprofit organizations.”.

4 **SEC. 6. EFFECTIVE DATE; REGULATIONS.**

5 (a) EFFECTIVE DATE.—Except as provided in sec-  
 6 tion 4(d), the amendments made by this Act shall take  
 7 effect on January 1, 2022.

8 (b) OPTION TO ACCELERATE FUNDING.—

9 (1) IN GENERAL.—If the Secretary of Health  
 10 and Human Services receives from a State, Indian  
 11 tribe, or unit of local government, a written notice,  
 12 in such form and manner and containing such infor-  
 13 mation as the Secretary shall require, that the State,  
 14 Indian tribe, or unit of local government is oper-  
 15 ating, or wishes to operate, an employment assist-  
 16 ance program, then, during the period beginning on  
 17 the first day of the first fiscal quarter that begins  
 18 on or after the date that the Secretary receives such  
 19 notice and ending on December 31, 2021, the Sec-

1       retary shall make payments to the State, Indian  
2       tribe, or unit of local government under paragraph  
3       (3).

4           (2) DEFINITIONS.—In this subsection:

5           (A) EMPLOYMENT ASSISTANCE PRO-  
6           GRAM.—The term “employment assistance pro-  
7           gram” means a program operated by a State,  
8           Indian tribe, or local government that provides  
9           qualified program assistance, including a pro-  
10          gram funded under part A of title IV of the So-  
11          cial Security Act (42 U.S.C. 401 et seq.) or any  
12          other State, tribal, or local program financed  
13          with Federal funds.

14          (B) QUALIFIED PROGRAM ASSISTANCE.—  
15          The term “qualified program assistance” means  
16          employment services, training and other serv-  
17          ices and activities, or supportive services (as  
18          such terms are defined in section 1301(b) of  
19          the Social Security Act, as added by section 3),  
20          including any such services designed to reem-  
21          ploy individuals who are unemployed or under-  
22          employed for reasons related to COVID–19, but  
23          shall not include any employment services,  
24          training and other services and activities or  
25          supportive services that cannot be provided in a

1 manner that is safe for both program adminis-  
2 trators and participants due to a COVID-19  
3 outbreak.

4 (3) PAYMENTS.—

5 (A) IN GENERAL.—Subject to subpara-  
6 graph (B), the Secretary shall pay to any State,  
7 Indian tribe, or local government that has a no-  
8 tice in effect under paragraph (1) for a fiscal  
9 quarter with respect to an employment assist-  
10 ance program, an amount equal to the amount  
11 that such State, tribe, or local government  
12 would receive under title XIII of the Social Se-  
13 curity Act (as added by section 3) if—

14 (i) such title were in effect with re-  
15 spect to such State, tribe, or local govern-  
16 ment;

17 (ii) the State, tribe, or local govern-  
18 ment had a plan that met all requirements  
19 of such title and was approved under such  
20 title for such fiscal quarter, and the  
21 amounts expended by the State, tribe, or  
22 local government on qualified program as-  
23 sistance under such program, were  
24 amounts expended by the State, tribe, or

1 local government to provide such assist-  
2 ance under such plan; and

3 (iii) the requirements of sections  
4 1303, 1304(c), 1305, and 1306 of such  
5 title did not apply.

6 (B) LIMITATIONS.—

7 (i) NO DUPLICATE FUNDING.—For  
8 purposes of subparagraph (A), in deter-  
9 mining the amounts expended by a State,  
10 tribe, or local government under an em-  
11 ployment assistance program to provide  
12 qualified program assistance, the total  
13 amount of State expenditures on such as-  
14 sistance shall be reduced by the amount of  
15 Federal funds (other than funds paid  
16 under this subsection) that have been paid  
17 or that are expected to be paid to the  
18 State, tribe, or local government with re-  
19 spect to such assistance.

20 (ii) NO FUNDING FOR ADMINISTRA-  
21 TIVE EXPENSES UNRELATED TO QUALI-  
22 FIED PROGRAM ASSISTANCE.—No payment  
23 shall be made to a State, Indian tribe, or  
24 local government under this subsection for  
25 administrative expenses of an employment

1 assistance program that are not attrib-  
2 utable to the administration of qualified  
3 program assistance.

4 (c) REGULATIONS.—The Secretary of Health and  
5 Human Services, in consultation with the Secretary of  
6 Labor as appropriate, shall—

7 (1) not later than 14 days after the date of en-  
8 actment of this Act, issue guidance to States on how  
9 to seek accelerated funding under subsection (b);

10 (2) not later than 6 months after the date of  
11 the enactment of this Act, issue proposed regulations  
12 for the purpose of implementing title XIII of the So-  
13 cial Security Act (as added by section 2 of this Act),  
14 including regulations establishing uniform data col-  
15 lection requirements; and

16 (3) not later than 1 year after the date of en-  
17 actment of this Act, publish final regulations for  
18 such purpose.

○