

111TH CONGRESS
2D SESSION

S. 2952

To establish funds to rapidly create new jobs in the private and public sector.

IN THE SENATE OF THE UNITED STATES

JANUARY 26, 2010

Mr. FRANKEN introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To establish funds to rapidly create new jobs in the private and public sector.

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 “Strengthening Our
5 Economy Through Employment and Development Act”.

6 **SEC. 2. USE OF UNEXPENDED AND REPAID FUNDS OF THE**
7 **TROUBLED ASSET RELIEF PROGRAM.**

8 Of the amounts made available to the Secretary of
9 the Treasury under section 115 of the Emergency Eco-
10 nomic Stabilization Act of 2008 (12 U.S.C. 5225) that

1 are unobligated as of the date of enactment of this Act
 2 and of all assistance received under title I of the Emer-
 3 gency Economic Stabilization Act of 2008 (12 U.S.C.
 4 5211 et seq.) that is repaid on or after the date of enact-
 5 ment of this Act, \$10,000,000,000 shall be made available
 6 to carry out the Private Sector Wage Subsidy Fund under
 7 section 3 and the Public Sector Energy Efficiency Pro-
 8 motion Fund under section 4.

9 **SEC. 3. PRIVATE SECTOR WAGE SUBSIDY FUND.**

10 (a) ESTABLISHMENT.—There is established in the
 11 Treasury of the United States a fund, to be known as the
 12 “Private Sector Wage Subsidy Fund” (referred to in this
 13 section as the “Fund”), consisting of \$5,000,000,000
 14 made available to the Fund under section 2, to enable
 15 small- and medium-sized businesses and nonprofit organi-
 16 zations to hire eligible workers who will receive wage sub-
 17 sidies pursuant to this section.

18 (b) ALLOCATION TO LOCAL AREAS AND ADMINISTRA-
 19 TION.—

20 (1) IN GENERAL.—The Secretary of Labor shall
 21 allocate to each local area, to carry out this section,
 22 an amount that bears the same relationship to the
 23 funds made available under this section for a fiscal
 24 year, as the sum of the amounts received under
 25 paragraph (2)(A) or (3) of section 133(b) of the

1 Workforce Investment Act of 1998 (29 U.S.C.
 2 2863(b)) and under paragraph (2)(B) of that sec-
 3 tion by the local area for that fiscal year bears to
 4 the total of such sums received by all local areas for
 5 that fiscal year.

6 (2) LOCAL AREA.—In this section, the term
 7 “local area” has the meaning given the term in sec-
 8 tion 101 of the Workforce Investment Act of 1998
 9 (29 U.S.C. 2801).

10 (3) ADMINISTRATION BY LOCAL AREAS.—

11 (A) IN GENERAL.—Each local area that re-
 12 ceives an amount under this section shall pro-
 13 vide allocations to businesses and nonprofit or-
 14 ganizations in the same manner as the local
 15 area provides allocations for on-the-job training
 16 subsidies under the Workforce Investment Act
 17 of 1998 (29 U.S.C. 2801 et seq.), to the extent
 18 consistent with this section.

19 (B) ALLOCATIONS TO EMPLOYERS.—Each
 20 local area that receives an amount under this
 21 section shall provide allocations to businesses
 22 and nonprofit organizations through twice-
 23 monthly or monthly subsidy checks for the first
 24 9 months. The allocation for months 10, 11,
 25 and 12 shall be withheld until the end of the

1 15th month, at which point the business or
 2 nonprofit organization shall verify that the eli-
 3 gible worker is still on the payroll and shall
 4 then receive a lump-sum reimbursement for
 5 months 10, 11, and 12.

6 (C) FLEXIBILITY.—A local area that re-
 7 ceives an amount under this section may offer
 8 customized or variant subsidy arrangements
 9 with businesses and nonprofit organizations if
 10 30 percent of the allocated funds have not been
 11 obligated by the local area within 6 months.

12 (c) AVAILABILITY OF FUNDS.—Allocation of amounts
 13 from the Fund to businesses and nonprofit organizations
 14 shall be—

15 (1) made available not later than 90 days after
 16 the date of enactment of this Act; and

17 (2) administered on a first-come, first-serve
 18 basis to incentivize rapid job creation.

19 (d) ELIGIBILITY.—A business or nonprofit organiza-
 20 tion is eligible to receive an allocation from the Fund for
 21 wage subsidies if such business or organization employs
 22 fewer than 500 individuals.

23 (e) WAGE SUBSIDY.—

24 (1) IN GENERAL.—Wage subsidies allocated
 25 under this section to businesses and nonprofit orga-

nizations to hire eligible workers shall be consistent with the following:

(A) 1-YEAR PERIOD.—A wage subsidy shall be provided for a 1-year period.

(B) AMOUNT.—

(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), a wage subsidy shall be—

(I) 50 percent of total wages; or

(II) \$12 per hour,

whichever amount is less.

(ii) IRAQ AND AFGHANISTAN VETERANS.—Except as provided in clause (iii), in the case of an individual who is a veteran of military service in Iraq or Afghanistan after September 11, 2001, a wage subsidy shall be—

(I) 60 percent of total wages; or

(II) \$14.40 per hour,

whichever amount is less.

(iii) ADDITIONAL AMOUNT FOR EMPLOYERS THAT OFFER HEALTH INSURANCE.—Notwithstanding the subsidy maximum amounts provided under clauses (i) and (ii), a business or nonprofit organiza-

tion that receives an allocation from the Fund for wage subsidies under this section and contributes to the cost of health insurance coverage for its employees shall receive an additional \$1 per hour for each eligible worker hired pursuant to this section to help defray the cost of contributing to such coverage.

(C) JOB WAGE MINIMUM.—Except as provided in subparagraph (D), a job for which a wage subsidy is allocated under this section shall—

(i) pay not less than \$10 per hour; or

(ii) start at \$9 per hour with a certification from the business or nonprofit organization that the wage will be increased to not less than \$10 per hour by the end of the subsidy period.

(D) MINIMUM WAGE REQUIREMENT.—If the locality in which a job for which a wage subsidy is allocated under this section is located has a minimum wage requirement that is more than \$10 per hour, then such job shall pay not less than such minimum wage requirement.

1 (2) CERTIFICATION BY EMPLOYER.—A business
2 or nonprofit organization that receives an allocation
3 from the Fund for wage subsidies under this section
4 shall provide to the local area a certification that in-
5 cludes each of the following:

6 (A) The business or organization will hire
7 the employees hired under the wage subsidy
8 program for newly created positions not for va-
9 cancies in already existing positions.

10 (B) The business or organization will re-
11 tain the employees hired under the wage sub-
12 sidy program for not less than 15 months.

13 (C) The business or organization will not
14 displace existing workers, or reduce the hours
15 of existing workers, with the employees hired
16 under the wage subsidy program.

17 (D) The business or organization will offer
18 comparable wages and the same benefits to sub-
19 sidized workers as comparable, existing work-
20 ers.

21 (E) The business or organization will hire
22 the worker for a minimum of 30 hours per
23 week.

24 (F) If the business or nonprofit organiza-
25 tion employs individuals represented by a labor

organization, the business or nonprofit organization will obtain sign-off by the labor organization in coordination with the existing collective bargaining agreement.

(3) FAILURE TO COMPLY WITH CERTIFICATION.—The Secretary of Labor shall promulgate regulations regarding waivers of a business or nonprofit organization’s obligation to retain an employee hired under the wage subsidy program for not less than 15 months.

(4) ELIGIBLE WORKERS.—

(A) IN GENERAL.—A business or nonprofit organization that receives an allocation from the Fund for wage subsidies under this section shall hire only eligible workers to receive such wage subsidies.

(B) ELIGIBLE WORKERS DEFINED.—In this section, the term “eligible worker” means an individual who—

(i) has exhausted the individual’s State-funded unemployment insurance benefits (as verified by the State or local department of labor or similar entity); or

(ii) has been unemployed for not less than 6 months.

1 (f) ADMINISTRATIVE COSTS.—Of the funds allocated
 2 to each local area under this section, not more than 10
 3 percent may be used by the local areas for costs and ex-
 4 penses for administration, marketing, job placement, and
 5 program support services.

6 **SEC. 4. PUBLIC SECTOR ENERGY EFFICIENCY PROMOTION**
 7 **FUND.**

8 (a) ESTABLISHMENT.—There is established in the
 9 Treasury of the United States a fund, to be known as the
 10 “Public Sector Energy Efficiency Promotion Fund” (re-
 11 ferred to in this section as the “Fund”), consisting of such
 12 amounts as are made available to the Fund under section
 13 2.

14 (b) GRANTS.—

15 (1) IN GENERAL.—On request by the Secretary
 16 of Energy (referred to in this section as the “Sec-
 17 retary”), the Secretary of the Treasury shall trans-
 18 fer from the Fund to the Secretary such amounts as
 19 the Secretary determines are necessary to distribute
 20 grants to States to provide funds to retrofit public
 21 buildings to increase energy efficiency.

22 (2) RESERVATION FOR INDIAN TRIBES.—The
 23 Secretary shall reserve 1 percent of amounts trans-
 24 ferred under paragraph (1) to award grants to In-

1 dian tribes to carry out activities described in this
2 section.

3 (c) ALLOCATION TO STATES.—Grants made available
4 under this section shall be allocated to States in accord-
5 ance with section 543(c) of the Energy Security and Inde-
6 pendence Act of 2007 (42 U.S.C. 17153(c)).

7 (d) DISTRIBUTION TO POLITICAL SUBDIVISIONS.—A
8 State that receives a grant under this section—

9 (1) may retain not more than 30 percent of the
10 amount of the grant; and

11 (2) shall distribute the remainder of the grant
12 to political subdivisions of the State through an ap-
13 plication process.

14 (e) UNOBLIGATED FUNDS.—Any grant amounts not
15 obligated by the date that is 1 year after the date of the
16 receipt of the grant by the State or Indian tribe shall be—

17 (1) returned to the Treasury of the United
18 States; and

19 (2) transferred to the Private Sector Wage Sub-
20 sidy Fund established under section 3.

21 (f) USE OF FUNDS.—

22 (1) IN GENERAL.—Subject to paragraphs (2)
23 and (3), funds made available under this section
24 may be used only—

1 (A) to retrofit public housing for increased
2 energy efficiency;

3 (B) to retrofit public buildings, libraries,
4 and schools for increased energy efficiency;

5 (C) to retrofit vacant or foreclosed homes
6 for increased energy efficiency; or

7 (D) if there are not sufficient projects to
8 carry out energy efficiency retrofits described in
9 subparagraphs (A) through (C), to restore and
10 refurbish public buildings.

11 (2) PRIORITY.—In using funds made available
12 under this section, a State, political subdivision of a
13 State, or Indian tribe shall give priority to projects
14 that were identified by the State or Indian tribe be-
15 fore the date of enactment of this Act.

16 (3) ENERGY EFFICIENCY.—

17 (A) IN GENERAL.—The Secretary of En-
18 ergy, in coordination with the Secretary of
19 Housing and Urban Development, shall create
20 standards for measurement and verification of
21 energy efficiency in residential buildings, com-
22 mercial buildings, and federally funded housing
23 facilities.

24 (B) ADMINISTRATION.—In creating the
25 standards described in subparagraph (A), the

1 Secretary of Energy shall include the fol-
2 lowing—

3 (i) the 2009 International Energy
4 Conservation Code (IECC) or equivalent
5 for residential buildings or the ASHRAE
6 90.1–2007 standard or equivalent for com-
7 mercial buildings;

8 (ii) a maximum window U-factor of
9 .30 and a maximum solar heat gain factor
10 of .30 for both residential and commercial
11 buildings;

12 (iii) certification of building energy
13 and environment auditors, inspectors, and
14 raters by the Residential Energy Services
15 Network or an equivalent certification sys-
16 tem, as determined by the Secretary;

17 (iv) certification or licensing of build-
18 ing energy and environmental retrofit con-
19 tractors by the Building Performance In-
20 stitute or an equivalent certification or li-
21 censing system, as determined by the Sec-
22 retary;

23 (v) use of equipment and procedures
24 of the Building Performance Institute, the
25 Residential Energy Services Network, or

1 other appropriate equipment and proce-
2 dures (such as infrared photography and
3 pressurized testing and tests for water use
4 and indoor air quality), as determined by
5 the Secretary, to test the energy and envi-
6 ronmental efficiency of buildings effec-
7 tively;

8 (vi) determination of energy savings
9 in a performance-based building retrofit
10 program through—

11 (I) in the case of residential
12 buildings, comparison of before and
13 after retrofit scores on the Home En-
14 ergy Rating System Index, if the final
15 score is produced by an objective third
16 party, or compliance with 2009 IECC,
17 as well as a maximum window U-fac-
18 tor of .30 and a maximum solar heat
19 gain factor of .30;

20 (II) in the case of commercial
21 buildings, benchmarks set by the En-
22 vironmental Protection Agency, or
23 compliance with the ASHRAE 90.1
24 2007 standard or equivalent, as well
25 as a maximum window U-factor of

1 .30 and a maximum solar heat gain
2 factor of .30; and

3 (III) in the case of residential
4 and commercial buildings, use of a
5 program that is approved by the Ad-
6 ministrator of the Environmental Pro-
7 tection Agency and subject to appro-
8 priate software standards and
9 verification of at least 15 percent of
10 all work completed;

11 (vii) suggested guidelines for using—

12 (I) the Energy Star portfolio
13 manager;

14 (II) the Home Energy Rating
15 System rating system;

16 (III) home performance improve-
17 ments approved under the Energy
18 Star program; and

19 (IV) any other tools associated
20 with applicable retrofit programs; and

21 (viii) requirements, energy building
22 codes, standards, or guidelines for renova-
23 tion and postretrofit inspection and con-
24 firmation of work and energy savings.

1 (g) COMPETITIVE BIDDING.—Any project carried out
2 under this section that requires an outside contractor shall
3 be subject to a competitive bidding process.

4 (h) DAVIS-BACON COMPLIANCE.—

5 (1) IN GENERAL.—All laborers and mechanics
6 employed on projects funded directly by or assisted
7 in whole or in part by this section, under any con-
8 tractor or subcontractor, shall be paid wages at
9 rates not less than those prevailing on projects of a
10 character similar in the locality as determined by the
11 Secretary of Labor in accordance with subchapter
12 IV of chapter 31 of title 40, United States Code.

13 (2) AUTHORITY.—With respect to the labor
14 standards specified in this subsection, the Secretary
15 of Labor shall have the authority and functions set
16 forth in Reorganization Plan Numbered 14 of 1950
17 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of
18 title 40, United States Code.

19 (i) ADMINISTRATIVE COSTS.—Of the funds made
20 available to carry out this section, not more than—

21 (1) 1 percent may be used by the Secretary of
22 Energy for administrative costs; and

23 (2) 4 percent of funds may be used by States
24 and Indian tribes that receive grants under this sec-
25 tion for administrative costs.

1 **SEC. 5. EVALUATION.**

2 After the termination date described in section 6(a),
3 the Secretary of Labor shall conduct an evaluation of job
4 creation effectiveness of programs carried out with funds
5 made available under this Act.

6 **SEC. 6. SUNSET.**

7 (a) IN GENERAL.—The Private Sector Wage Subsidy
8 Fund established under section 3, the Public Sector En-
9 ergy Efficiency Promotion Fund established under section
10 4, and the authorization of amounts made available to
11 carry out such Funds shall terminate on the date that is
12 2 years after the date of enactment of this Act.

13 (b) AMOUNTS RETURNED TO TREASURY.—Any
14 amounts that are in the Funds described in subsection (a)
15 on the date of termination described in subsection (a) shall
16 be returned to the Treasury of the United States.

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