

112TH CONGRESS
2^D SESSION

H. R. 4277

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

IN THE HOUSE OF REPRESENTATIVES

MARCH 28, 2012

Mr. CONYERS introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 **SEC. 3. DEFINITIONS.**

14 In this Act the following definitions apply:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (A) supplement the project budget; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 vidual were hired without assistance under this
2 Act.

3 (g) AWARD OF GRANTS.—

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

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

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

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

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

17 (2) PRIORITY GIVEN TO CERTAIN PROJECTS.—

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

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

23 (i) the unemployment rate;

24 (ii) the rate of poverty;

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

3 (iv) the lowest median income;

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

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

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

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

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

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

23 (h) ALLOCATION OF GRANTS.—

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

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

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

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

20 (i) REPORTS.—

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

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

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

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

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

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

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

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

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

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

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

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

19 (2) WRITTEN GRIEVANCES.—

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

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

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

9 (3) ARBITRATION.—

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

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

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

6 (D) COSTS.—

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

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

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

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

7 (l) ALL OTHER DISPUTES.—

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

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

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

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

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

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

18 (2) ENFORCEMENT BY THE SECRETARY.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Sec. 4475. Tax on securities transactions.

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

22 **“(a) IMPOSITION OF TAX.—**

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

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

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

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

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

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

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

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

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

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

13 “(d) BY WHOM PAID.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 (c) CLERICAL AMENDMENTS.—

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

“Subchapter C. Tax on Securities Transactions”.

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

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

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

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