

116TH CONGRESS
2D SESSION

S. 3515

To establish the Innovation and Startups Equity Investment Program in the Department of the Treasury, through which the Secretary of the Treasury shall allocate money to certain States to assist high-potential scalable startups access venture capital to commercialize innovations, create jobs, and accelerate economic growth, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 18, 2020

Ms. KLOBUCHAR (for herself, Mr. COONS, Mr. KING, and Mr. Kaine) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To establish the Innovation and Startups Equity Investment Program in the Department of the Treasury, through which the Secretary of the Treasury shall allocate money to certain States to assist high-potential scalable startups access venture capital to commercialize innovations, create jobs, and accelerate economic growth, 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.**

2 This Act may be cited as the “New Business Preser-
3 vation Act”.

4 **SEC. 2. DEFINITIONS.**

5 In this Act:

6 (1) **APPROVED STATE PROGRAM.**—The term
7 “approved State program” means a State program
8 that is approved by the Secretary in accordance with
9 the standards established under section 3(b)(1).

10 (2) **COVERED INVESTMENT.**—The term “cov-
11 ered investment” means an equity investment in a
12 startup using amounts made available to carry out
13 the covered programs.

14 (3) **COVERED PROGRAMS.**—The term “covered
15 programs” means the Program and the program
16 carried out under section 4.

17 (4) **EQUITY INVESTMENT.**—The term “equity
18 investment”—

19 (A) means an investment for an ownership
20 interest in an entity, the financial return with
21 respect to which is principally aligned with the
22 financial return of the plurality of ownership in-
23 terests in the entity; and

24 (B) includes a debt instrument that can be
25 converted to an equity ownership interest in an
26 entity based on future events.

1 (5) EXIT.—The term “exit”, with respect to a
2 startup in which there is a covered investment,
3 means—

4 (A) the acquisition of the startup;

5 (B) after an initial public offering with re-
6 spect to the startup, the sale of a share of the
7 startup that was obtained through the covered
8 investment; or

9 (C) the voluntary purchase of ownership
10 interests by the startup, investors, or existing
11 shareholders.

12 (6) FEDERAL CONTRIBUTION.—The term “Fed-
13 eral contribution” means a contribution made—

14 (A) by a participating State to, or for the
15 account of, an approved State program; and

16 (B) with Federal funds allocated to the
17 participating State by the Secretary.

18 (7) FOLLOW-ON INVESTMENT.—The term “fol-
19 low-on investment” means a subsequent equity in-
20 vestment in a startup in which there was originally
21 a separate and distinct equity investment under—

22 (A) a program carried out under the State
23 Small Business Credit Initiative Act of 2010
24 (12 U.S.C. 5701 et seq.); or

25 (B) the Program.

1 (8) MARKET RATE MANAGEMENT FEE AND
2 PROFIT INTEREST.—The term “market rate man-
3 agement fee and profit interest” means the usual
4 and customary compensation structure paid to fund
5 managers for fund investment management services
6 under agreements with private sector limited part-
7 ners.

8 (9) PARTICIPATING STATE.—The term “partici-
9 pating State” means a State that participates in the
10 Program after having satisfied the approval criteria
11 under section 3(e).

12 (10) PROGRAM.—The term “Program” means
13 the Innovation and Startups Equity Investment Pro-
14 gram established under section 3(a).

15 (11) QUALIFYING AREA.—The term “qualifying
16 area” means an area of the United States outside of
17 the major venture capital centers, as determined in
18 the rule making conducted by the Secretary under
19 section 3(e).

20 (12) RULE; RULE MAKING.—The terms “rule”
21 and “rule making” have the meanings given those
22 terms in section 551 of title 5, United States Code.

23 (13) SECRETARY.—The term “Secretary”
24 means the Secretary of the Treasury.

1 (14) STARTUP.—The term “startup” means a
2 business entity that—

3 (A) has been in existence for less than 10
4 years;

5 (B) has the intention or potential to—

6 (i) significantly scale with respect to
7 revenue and job creation;

8 (ii) develop innovative products or
9 services; and

10 (iii) deliver high returns on invest-
11 ment; and

12 (C) is headquartered in a qualifying area.

13 (15) STATE.—

14 (A) IN GENERAL.—The term “State”
15 means—

16 (i) a State of the United States; and

17 (ii) the District of Columbia.

18 (B) RULE OF CONSTRUCTION.—The Com-
19 monwealth of Puerto Rico, the United States
20 Virgin Islands, Guam, American Samoa, and
21 the Commonwealth of the Northern Mariana Is-
22 lands shall collectively be considered to be 1
23 State for the purposes of this Act.

24 (16) STATE PROGRAM.—The term “State pro-
25 gram” means a program established by a State to

1 provide equity investment in startups or venture
 2 capital funds that are headquartered in qualifying
 3 areas, without regard to whether those qualifying
 4 areas are located in the State.

5 (17) VENTURE CAPITAL FUND.—The term
 6 “venture capital fund” has the meaning given the
 7 term in section 275.203(l)–1 of title 17, Code of
 8 Federal Regulations, or any successor regulation.

9 **SEC. 3. ISEI PROGRAM.**

10 (a) ESTABLISHMENT.—There is established in the
 11 Department of the Treasury the Innovation and Startups
 12 Equity Investment Program—

13 (1) which shall be administered by the Sec-
 14 retary; and

15 (2) under which—

16 (A) the Secretary shall, in accordance with
 17 the provisions of this section, allocate to partici-
 18 pating States—

19 (i) the amount appropriated under
 20 section 8(a)(1); and

21 (ii) any future amounts appropriated
 22 to carry out the Program under the au-
 23 thorization provided under section 8(b);

24 (B) participating States to which funds are
 25 allocated under subparagraph (A) shall,

1 through approved State programs, provide equity investment in startups; and

3 (C) money (including securities) returned to States after exits with respect to the investments described in subparagraph (B) shall be reinvested through follow-on investments, as further provided in section 5.

8 (b) DUTIES OF THE SECRETARY.—In administering the Program, the Secretary shall—

10 (1) establish minimum standards for a State program to be considered an approved State program;

13 (2) provide technical assistance to States for designing State programs and implementing approved State programs;

16 (3) disseminate information relating to best practices with respect to the design and implementation described in paragraph (2);

19 (4) perform any managerial or administrative function that is necessary to maintain the integrity of the Program; and

22 (5) provide oversight of the Program, including by reviewing whether each approved State program is in compliance with the requirements of the Program.

1 (c) APPROVAL CRITERIA.—

2 (1) PARTICIPATING STATES.—A State may be
3 come a participating State if—

4 (A) the State—

5 (i) designates a specific department or
6 agency of the State, or an entity supported
7 by the State, to implement and administer
8 a State program of the State; or

9 (ii) has a contractual arrangement—

10 (I) with a participating State
11 that has an approved State program;
12 and

13 (II) through which the partici-
14 pating State described in subclause
15 (I) will implement and administer the
16 State program of the State;

17 (B) the State takes all legal actions nec-
18 essary to enable the entity that, under subpara-
19 graph (A), will implement the State program of
20 the State to carry out that implementation;

21 (C) the State submits to the Secretary an
22 application described in paragraph (2)(B) dur-
23 ing a time period to be established by the Sec-
24 retary; and

1 (D) the State and the Secretary enter into
2 an allocation agreement that—

3 (i) satisfies the requirements of this
4 Act, including the requirement under sec-
5 tion 5(a)(2)(A);

6 (ii) provides that the State program
7 established by the State will comply with
8 any standards established by the Secretary
9 in carrying out this Act;

10 (iii) establishes internal control, com-
11 pliance, and reporting requirements estab-
12 lished by the Secretary and any other
13 terms and conditions that are necessary to
14 carry out the Program, including an agree-
15 ment by the State to permit the Secretary
16 to audit the State program established by
17 the State;

18 (iv) requires that, not later than 180
19 days after the date on which the State and
20 the Secretary enter into the agreement (or
21 a later date if the Secretary determines
22 that later date to be appropriate), the
23 State program of the State is able to make
24 the type of equity investments con-
25 templated by this Act; and

1 (v) includes an agreement by the
2 State to submit to the Secretary any re-
3 ports required under the Program, includ-
4 ing those required under section 7.

5 (2) APPROVED STATE PROGRAMS.—

6 (A) MODELS.—The Secretary may certify
7 a State program that uses either of the fol-
8 lowing structures as an approved State pro-
9 gram:

10 (i) A program in which a State-sup-
11 ported entity or a private investment firm
12 (referred to in this clause as the “man-
13 ager”) directly invests in startups in ac-
14 cordance with the following requirements:

15 (I) A State agency may not serve
16 as the manager of the program.

17 (II) Any investment made under
18 the program shall have not less than
19 50 percent of the investment funded
20 using nongovernment sources.

21 (III) A State-sponsored entity or
22 nonprofit organization serving as the
23 manager under the program may
24 charge a market rate annual manage-
25 ment fee.

1 (IV) The State may allow the
2 manager under the program to receive
3 a market-rate profit share.

4 (V) The manager under the pro-
5 gram shall actively—

6 (aa) educate minority-owned
7 and women-owned startups re-
8 garding the process through
9 which the manager makes equity
10 investments; and

11 (bb) pursue equity invest-
12 ments in startups described in
13 item (aa).

14 (ii) A program in which a State-sup-
15 ported entity or a private investment firm
16 establishes a fund to invest in other invest-
17 ment funds in accordance with the fol-
18 lowing requirements:

19 (I) The fund established under
20 the program may charge a market
21 rate management fee paid by the ad-
22 ministrator of the program with pro-
23 gram funds and receive a market rate
24 management fee and profit interest.

1 (II) If the State has an above av-
2 erage per capita venture capital mar-
3 ket share, the State shall prioritize al-
4 locations by the fund established
5 under the program to funds managed
6 by first-time managers, women, and
7 minorities.

8 (III) The allocations made by the
9 fund established under the program
10 shall be in an amount that is not
11 more than 20 percent of the capital
12 raised by that fund, except that, with
13 respect to a recipient fund described
14 in subclause (II), that amount shall be
15 50 percent.

16 (B) APPLICATION.—A State that wishes to
17 have a State program of the State certified by
18 the Secretary as an approved State program
19 shall submit to the Secretary an application
20 that contains—

21 (i) a venture capital supply and acces-
22 sibility study listing, which shall include—

23 (I) a list of active, as of the date
24 on which the application is submitted,
25 venture capital funds in the State

1 with capital under management, seg-
2 regated by funds that actively invest
3 in startups and funds that no longer
4 actively invest in startups;

5 (II) sources of equity investments
6 in startups; and

7 (III) a summary of investment
8 activity in the State from accredited
9 investors that are not venture capital
10 funds;

11 (ii) for the 10-year period preceding
12 the date on which the State submits the
13 application, a list of each State-sponsored
14 program, the intent of which is to stimu-
15 late equity investment in startups, includ-
16 ing the policies implemented under each
17 such program and the reported results of
18 each such program;

19 (iii) a list of active, as of the date on
20 which the application is submitted, State
21 pension fund investments in venture cap-
22 ital funds and similar types of investments;

23 (iv) a final report on outcomes in the
24 State under each program established
25 under the State Small Business Credit Ini-

1 initiative Act of 2010 (12 U.S.C. 5701 et
2 seq.) (referred to in this subparagraph as
3 the “Initiative”), including—

4 (I) the total amount expended in
5 direct support of small businesses
6 under the Initiative in the State;

7 (II) the total amount of private
8 capital leverage generated by each ap-
9 proved program under the Initiative in
10 the State;

11 (III) the amount of funds made
12 available under the Initiative in the
13 State that were not ultimately ex-
14 pended, if any;

15 (IV) the amount of capital re-
16 turned to the State in the form of in-
17 vestment returns or loan repayments
18 under the Initiative; and

19 (V) the actual uses of residual
20 funds generated from the Initiative in
21 the State;

22 (v) a policy regarding the resolution of
23 conflicts of interest with respect to the
24 State program, including a comparison

1 with that policy for the Department of the
2 Treasury with respect to the Initiative; and

3 (vi) an identification of which model
4 described in subparagraph (A) the State
5 intends to use for the State program of the
6 State.

7 (C) REVIEW OF APPLICATION.—Not later
8 than 90 days after the date on which the Sec-
9 retary receives an application submitted by a
10 State under subparagraph (B), the Secretary
11 shall approve the application if the application
12 satisfies all applicable requirements.

13 (3) DURATION OF APPROVAL.—

14 (A) IN GENERAL.—Except as provided in
15 subparagraph (C), a State program that the
16 Secretary certifies as an approved State pro-
17 gram under this subsection shall—

18 (i) remain so certified for the 5-year
19 period beginning on the date on which the
20 Secretary certifies the program; and

21 (ii) during the 5-year period described
22 in clause (i), remain eligible to receive allo-
23 cations under the Program, except as oth-
24 erwise expressly provided in this section.

(B) RE-CERTIFICATION.—After the end of the 5-year period described in subparagraph (A)(i) with respect to an approved State program, the Secretary may re-certify the approved State program after obtaining from the applicable participating State any materials that the Secretary may require.

(C) EXCEPTION FOR MATERIAL CHANGES.—If, during the 5-year period described in subparagraph (A)(i) with respect to an approved State program, there are material changes made to the structure or administration of the approved State program, the applicable participating State, in order to maintain the certification for the approved State program, shall submit to the Secretary an updated application that contains any materials that the Secretary may require.

(d) ALLOCATIONS.—

(1) FORMULA.—

(A) IN GENERAL.—Subject to subparagraphs (B) and (C), the amount of an allocation to a participating State under the Program shall be calculated as follows:

1 (i) With respect to an allocation made
2 from the amount appropriated under sec-
3 tion 8(a)(1), the allocation shall be cal-
4 culated as follows:

5 (I) Divide the total population of
6 the State by the total population of
7 the United States.

8 (II) Multiply the total amount
9 appropriated under section 8(a)(1) by
10 the quotient obtained under subclause
11 (I) with respect to the State.

12 (ii) With respect to an allocation
13 made from any amounts appropriated to
14 carry out the Program under the author-
15 ization provided under section 8(b), the al-
16 location shall be calculated as follows:

17 (I) Divide the total population of
18 the State by the total population of
19 the United States.

20 (II) Multiply the quotient ob-
21 tained under subclause (I) with re-
22 spect to the State by the total amount
23 made available to carry out the Pro-
24 gram for the fiscal year in which the
25 allocation is made.

(B) STATES WITH A HIGH LEVEL OF VENTURE CAPITAL ACTIVITY.—

(i) PURPOSE.—The purpose of this subparagraph is to, for the purposes of the calculation under subparagraph (A) with respect to certain States, exclude areas with high levels of venture capital activity from the populations of those States.

(ii) CALCULATION.—Subject to any rules issued under clause (iii), with respect to the calculation under subparagraph (A) for the States of California, Massachusetts, and New York, the total populations of those States shall be adjusted as follows:

(I) With respect to California, the populations of the following counties shall be subtracted from the total population of that State:

(aa) Marin County.

(bb) Sonoma County.

(cc) Napa County.

(dd) Contra Costa County.

(ee) Santa Clara County.

(ff) San Mateo County.

(gg) San Francisco County.

1 (hh) Los Angeles County.

2 (ii) Orange County.

3 (jj) Ventura County.

4 (II) With respect to Massachu-
 5 setts, the populations of the following
 6 counties shall be subtracted from the
 7 total population of that State:

8 (aa) Essex County.

9 (bb) Middlesex County.

10 (cc) Suffolk County.

11 (dd) Norfolk County.

12 (III) With respect to New York,
 13 the populations of the following coun-
 14 ties shall be subtracted from the total
 15 population of that State:

16 (aa) Kings County.

17 (bb) Queens County.

18 (cc) New York County.

19 (dd) Bronx County.

20 (ee) Richmond County.

21 (iii) RULE MAKING.—As the Secretary
 22 determines to be appropriate, the Secretary
 23 may issue rules to amend the list of coun-
 24 ties under subclause (I), (II), or (III) of

1 clause (ii) in order to fulfill the purpose
2 described in clause (i).

3 (C) MINIMUM ALLOCATION.—The alloca-
4 tion to a participating State under the Program
5 shall be in an amount that is not less than—

6 (i) with respect to an allocation made
7 from the amount appropriated under sec-
8 tion 8(a)(1), 1 percent of that amount; and

9 (ii) with respect to an allocation made
10 from amounts appropriated in a fiscal year
11 to carry out the Program under the au-
12 thorization provided under section 8(b), 1
13 percent of the total amount made available
14 to carry out the Program for that fiscal
15 year.

16 (2) DELIVERY.—

17 (A) IN GENERAL.—Subject to the other
18 provisions of this paragraph, the Secretary
19 shall—

20 (i) apportion the amount allocated to
21 a participating State under this subsection
22 into thirds;

23 (ii) transfer the first $\frac{1}{3}$ described in
24 clause (i) to a participating State not later
25 than 30 days after the date on which the

1 Secretary approves the State program of
2 the State; and

3 (iii) transfer each successive $\frac{1}{3}$ de-
4 scribed in clause (i) to a participating
5 State when the State has certified to the
6 Secretary that the State has expended,
7 transferred, or obligated 80 percent of the
8 most recently allocated $\frac{1}{3}$ for Federal con-
9 tributions.

10 (B) USE OF AMOUNTS.—Each amount al-
11 located to a participating State under this sub-
12 section shall remain available to the State—

13 (i) for making Federal contributions;
14 and

15 (ii) in the case of each $\frac{1}{3}$ transferred
16 under subparagraph (A), for paying ad-
17 ministrative costs incurred by the State in
18 implementing an approved State program
19 of the State in an amount that is not more
20 than 5 percent of that $\frac{1}{3}$ amount.

21 (C) WITHHOLDING.—The Secretary may
22 withhold a $\frac{1}{3}$ transfer under subparagraph (A)
23 pending the results of a financial audit by the
24 Secretary of the applicable approved State pro-
25 gram.

1 (D) EXCEPTION.—The Secretary may, in
2 the discretion of the Secretary, transfer the full
3 amount allocated to a participating State under
4 this subsection in a single transfer if the State
5 submits to the Secretary an application that
6 demonstrates the need for such a method of
7 transfer.

8 (3) REMAINING FUNDS.—If, after allocating
9 funds to participating States under this subsection,
10 there are amounts remaining from the amounts
11 made available to carry out the Program (without
12 regard to whether those amounts were made avail-
13 able under section 8(a)(1) or pursuant to the au-
14 thorization provided under section 8(b)), the Sec-
15 retary shall allocate the remaining amounts in ac-
16 cordance with paragraphs (1) and (2).

17 (e) RULES.—Not later than 90 days after the date
18 of enactment of this Act, the Secretary shall initiate a rule
19 making to issue rules regarding the administration of the
20 Program, which shall include the establishment of the
21 minimum standards described in subsection (b)(1).

22 **SEC. 4. FOLLOW-ON INVESTMENTS.**

23 (a) IN GENERAL.—The Secretary shall allocate the
24 amount appropriated under section 8(a)(2), and any fu-
25 ture amounts appropriated to carry out this section under

1 the authorization provided under section 8(b), to approved
2 State programs to facilitate follow-on investments.

3 (b) PROCESS.—To carry out the allocations under
4 this section, the Secretary shall manage a competitive
5 process, facilitated by an expert consultant from the pri-
6 vate sector, to award funding to approved State programs
7 to provide follow-on investments.

8 (c) AMOUNT.—A follow-on investment under sub-
9 section (b) shall be in an amount that is not less than
10 \$5,000,000 and not more than \$50,000,000.

11 (d) FEES.—With respect to the expert consultant de-
12 scribed in subsection (b)—

13 (1) the Secretary may pay management fees to
14 the consultant in an amount that is not more than
15 0.5 percent of the co-investment funds managed by
16 the consultant over the term of the program under
17 this section; and

18 (2) the consultant may receive not more than
19 10 percent of the profit interest earned by the
20 States participating in the program under this sec-
21 tion from the proceeds of successful follow-on invest-
22 ments.

23 (e) RULES.—Not later than 180 days after the date
24 of enactment of this Act, the Secretary shall issue rules—

1 (1) to determine the eligibility of States that
2 wish to participate in the program established under
3 this section, which shall include the exclusion under
4 section 3(d)(1)(B)(ii);

5 (2) to provide the manner in which States may
6 make the follow-on investments described in this sec-
7 tion;

8 (3) that shall permit multiple States to work to-
9 gether to invest in startups; and

10 (4) to determine an appropriate time to make
11 the allocations required under this section with re-
12 spect to follow-on investments in startups for which
13 the original equity investments were made under the
14 Program.

15 **SEC. 5. EXITS AND REPAYMENT.**

16 (a) EXITS.—

17 (1) IN GENERAL.—If a State to which an allo-
18 cation is made under a covered program receives
19 funds from an exit with respect to a covered invest-
20 ment, the State shall use those funds to further in-
21 vest in startups in the manner contemplated by the
22 applicable covered program.

23 (2) ENFORCEMENT.—The Secretary shall—

1 (A) require that each allocation agreement
 2 described in section 3(c)(1)(D) include the re-
 3 quirement under paragraph (1); and

4 (B) in any audit conducted of the State by
 5 the Secretary under a covered program, confirm
 6 that there is compliance with respect to the re-
 7 quirement under paragraph (1).

8 (b) FAILURE TO REINVEST.—If a State to which an
 9 allocation is made under a covered program receives funds
 10 from an exit with respect to a covered investment and fails
 11 to comply with any requirement under this Act, that State
 12 shall repay to the Secretary the amount of that allocation,
 13 including any realized gains.

14 **SEC. 6. EXPEDITED CONTRACTING.**

15 For the purposes of carrying out this Act, during the
 16 1-year period beginning on the date of enactment of this
 17 Act, the Secretary may enter into contracts without regard
 18 to any other provision of law regarding public contracts.

19 **SEC. 7. REPORTING.**

20 (a) QUARTERLY REPORTS FROM STATES TO THE
 21 SECRETARY.—

22 (1) IN GENERAL.—Not later than 30 days after
 23 the first day of each calendar quarter that begins
 24 after the date on which the Secretary issues final
 25 rules in the rule making initiated under section 3(e),

1 each participating State that has received an alloca-
 2 tion under the Program and each State to which
 3 funding is awarded under section 4(b) shall submit
 4 to the Secretary a report regarding the use, during
 5 the quarter preceding the quarter in which the State
 6 submits the report, of funds received under the ap-
 7 plicable covered program.

8 (2) CONTENTS.—In each report that a State is
 9 required to submit under paragraph (1), the State
 10 shall, with respect to the quarter covered by the re-
 11 port—

12 (A) indicate the total amount of funds dur-
 13 ing the quarter that the State received under
 14 the covered programs and expended; and

15 (B) contain a certification by the State
 16 that—

17 (i) all of the information contained in
 18 the report is accurate;

19 (ii) funds allocated to the State under
 20 the covered programs continue to be avail-
 21 able and legally committed to an approved
 22 State program of the State, except for
 23 funds already expended by the State in
 24 carrying out the approved State program;
 25 and

1 (iii) the State is carrying out the ap-
2 proved State program of the State in ac-
3 cordance with this Act and rules issued
4 under this Act.

5 (b) ANNUAL REPORTS FROM STATES TO THE SEC-
6 RETARY.—Not later than March 31 of each year in which
7 the covered programs are in effect, each participating
8 State that has received an allocation under the Program
9 and each State to which funding is awarded under section
10 4(b) shall submit to the Secretary an annual report with
11 respect to the year preceding the year in which the report
12 is submitted, which shall include, for the year covered by
13 the report—

14 (1) the number of startups supported by an in-
15 vestment made through an approved State program
16 of the State;

17 (2) the total number of investments made
18 through an approved State program of the State;

19 (3) the amount of private capital leverage for
20 each covered investment made through an approved
21 State program of the State and collectively by the
22 State under the covered programs and the source of
23 any private capital match;

24 (4) a breakdown of investments made through
25 an approved State program of the State by, with re-

1 spect to the startups in which the investments were
 2 made, industry type, investment size, age of entity,
 3 annual sales, geographic location (which shall be in-
 4 dicated by zip code), and number of employees; and

5 (5) any other information that the Secretary, in
 6 the sole discretion of the Secretary, may require to
 7 carry out the purposes of the covered programs.

8 (c) ANNUAL REPORTS FROM THE SECRETARY TO
 9 CONGRESS.—

10 (1) REPORTING REQUIREMENT.—

11 (A) IN GENERAL.—The Secretary shall
 12 submit to the Committee on Banking, Housing,
 13 and Urban Affairs of the Senate and the Com-
 14 mittee on Financial Services of the House of
 15 Representatives an annual report that summa-
 16 rizes information reported to the Secretary by
 17 States that details, for the year covered by the
 18 report, outcomes from investments made pursu-
 19 ant to funds allocated under the covered pro-
 20 grams.

21 (B) LENGTH OF REQUIREMENT.—The Sec-
 22 retary shall submit the annual report required
 23 under subparagraph (A) until the later of—

24 (i) the year that is 12 years after the
 25 date of enactment of this Act; or

1 (ii) the year in which no investment is
2 made through either of the covered pro-
3 grams.

4 (2) RESERVE OF AMOUNTS.—Of amounts ap-
5 propriated to carry out the covered programs under
6 section 8(a)(1), and amounts that may be appro-
7 priated under the authorization provided under sec-
8 tion 8(b), the Secretary may reserve a percentage of
9 the amounts in order to carry out paragraph (1).

10 **SEC. 8. APPROPRIATIONS; DEPOSITS.**

11 (a) DIRECT APPROPRIATION.—There are appro-
12 priated, out of monies in the Treasury not otherwise ap-
13 propriated, \$2,000,000,000 as follows:

14 (1) \$1,500,000,000 to carry out the Program,
15 including any administrative costs incurred in car-
16 rying out the Program.

17 (2) \$500,000,000 to carry out the follow-on in-
18 vestments program established under section 4, in-
19 cluding any administrative costs incurred in carrying
20 out that program.

21 (b) AUTHORIZATION OF FUTURE APPROPRIA-
22 TIONS.—In addition to the appropriation under subsection
23 (a), there is authorized to be appropriated to the Secretary
24 such sums as may be necessary to carry out this Act.

1 (c) DEPOSITS.—In addition to the amount appro-
2 priated under subsection (a), and any amounts that may
3 be appropriated under the authorization provided under
4 subsection (b), the Secretary may, in accordance with the
5 requirements of this Act, expend any funds repaid to the
6 Secretary under section 5(b).

7 (d) AVAILABILITY OF FUNDS.—

8 (1) IN GENERAL.—The amount appropriated
9 under subsection (a), and any amounts that may be
10 appropriated under the authorization provided under
11 subsection (b), shall remain available, without fiscal
12 year limitation, until expended.

13 (2) AVAILABILITY OF CERTAIN DEPOSITS.—Any
14 amounts repaid to the Secretary as described in sub-
15 section (c) shall remain available, without fiscal year
16 limitation, until expended.

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