AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

119TH CONGRESS
2D SESSION

S. 3864

To require the Secretary of Labor to establish a pilot program to provide grants for job guarantee programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 12, 2026

Mr. BOOKER (for himself, Mr. MERKLEY, and Ms. WARREN) introduced the following bill; which was read twice and referred to the Committee on Finance

---

A BILL

To require the Secretary of Labor to establish a pilot program to provide grants for job guarantee programs, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Federal Jobs Guarantee Development Act of 2026''.

SEC. 2. JOB GUARANTEE PILOT PROGRAM.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE ENTITY.—The term ''eligible entity'' means an entity that—

(A) is a political subdivision of a State, Tribal entity, or a combination of contiguous political subdivisions or Tribal entities;

(B) has an unemployment rate that is not less than 150 percent of the national unemployment rate, as determined by the Bureau of Labor Statistics (except in the case of Tribal entities which may submit their own employment data if no such Federal data is available for such entities) based on the most recent data available at the time the Secretary solicits applications for grants under this section; and

(C) submits an application in accordance with subsection (e).

(2) JOB GUARANTEE PROGRAM.—The term ''job guarantee program'' means a program that meets the requirements of subsection (c).

(3) RURAL AREA.—The term ''rural area'' means an area that is located outside of an urban area.

(4) TRIBAL ENTITY.—The term ''Tribal entity'' means an Indian tribe or tribal organization as such terms are defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304).

(5) URBAN AREA.—The term ''urban area'' means an urbanized area (a region of 50,000 or more residents) and an urbanized cluster (an area encompassing between 2,500 and 50,000 residents), according to the Census Bureau's urban-rural classification in the 2020 census.

(6) SECRETARY.—The term ''Secretary'' means the Secretary of Labor.

(7) WIOA DEFINITIONS.—The terms ''adult education and literacy activities'', ''career planning'', ''in-demand industry sector or occupation'', ''individual with a barrier to employment'', ''local board'', ''recognized postsecondary credential'', ''State board'', ''supportive services'', and ''workplace learning advisor'' have the meanings given such terms in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).

(b) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary shall establish a pilot program to provide competitive grants to eligible entities to establish job guarantee programs to ensure that any individual within the area served by the entity who applies for a job through the program will be provided with employment as provided for in this section.

(2) TERMINATION.—Funds provided for a job guarantee program established under a grant under this section shall terminate on the earlier of—

(A) the end of the 3-year period beginning on the date of the award of the grant; or

(B) the date of any revocation of the grantee as an eligible entity.

(c) JOB GUARANTEE PROGRAMS.—

(1) IN GENERAL.—A job guarantee program meets the requirements of this subsection if the jobs provided under such program—

(A) are available to all individuals who—

(i) are 18 years of age or older; and

(ii) reside in the area served under the program at the time the area became an eligible entity;

(B) are, with respect to individual participants, included as part of an established bargaining unit and covered by any applicable collective bargaining agreement in effect if similarly situated employees are part of such unit and represented by an exclusive bargaining representative;

(C) are available for the duration of the pilot program;

(D) provide a wage of not less than the greater of—

(i) the wage rate determined for the participant in accordance with paragraph (3);

(ii) the wage rate specified in the applicable State or local minimum wage law;

(iii) the prevailing wage in the area involved for a similar job as required by chapter 67 of title 41, United States Code, and other related laws; or

(iv) the applicable wage under an applicable collective bargaining agreement as provided for under subparagraph (B);

(E) provide for coverage of the participant under a health insurance program that is comparable to that offered to Federal employees under the Federal Employees Health Benefits Program established under chapter 89 of title 5, United States Code; and

(F) provide at a minimum—

(i) paid family leave consistent with the provisions of S. 2823 introduced in the 119th Congress and applicable State law; and

(ii) paid sick time consistent with the provision of S. 1664 introduced in the 118th Congress and applicable State law.

(2) EXCEPTION.—Notwithstanding paragraph (1)(A), a participant in a job guarantee program may be disciplined, released, or suspended from further participation in a job under the program if they are determined to be negligent or generally disruptive to the workplace involved in accordance with procedures established by the Secretary that provide for an opportunity for a review of such determinations.

(3) DETERMINATION OF WAGE RATE.—

(A) IN GENERAL.—The wage rate for a participant under paragraph (1)(D)(i) is the wage rate determined under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) for the participant as if S. 2823 introduced in the 119th Congress were enacted on the date of enactment of this Act.

(B) RULE OF CONSTRUCTION.—For purposes of subparagraph (A), each reference to the date of enactment of S. 2823 in such bill shall be deemed to be a reference to the date of enactment of this Act.

(d) OTHER USES.—Funds may be used to provide workers in a job guarantee program with—

(1) supportive services, which can include transportation, child care, dependent care, housing, and needs-related payments, that are necessary to enable an individual to participate in activities authorized under this Act;

(2) access to a workplace learning advisor to support the education, skill development, job training, career panning, and credentials required to progress toward career goals of such employees in order to meet employer requirements related to job openings and career advancements that support economic self-sufficiency;

(3) adult education and literacy activities, including those provided by public libraries;

(4) activities that assist justice involved individuals, formerly incarcerated individuals, and individuals with criminal records in reentering the workforce; and

(5) financial literacy activities including those described in section 129(b)(2)(D) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3164(b)(2)(D)).

(e) APPLICATIONS.—An eligible entity seeking a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require and shall include—

(1) a description of the geographic area and population that the entity intends to serve under the job guarantee program established under the grant, including the area unemployment rate, underemployment rate, unemployment rate for individuals with disabilities, poverty rate, housing vacancy rate, crime rate, household income, home-ownership rate, labor force participation rate, and educational attainment;

(2) to extent practicable, a description of the jobs that will be offered under the job guarantee program, including—

(A) a description of supports provided to individuals with disabilities and accommodations required under the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.); and

(B) a description of supports and procedures to ensure job access and opportunities for individuals with criminal records, including information on physical and programmatic acces-

sibility, in accordance with section 188 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3248), if applicable, and the Americans with Disabilities Act of 1990, for individuals with disabilities;

(3) the need in the area for jobs to be performed, including for jobs designated as a high-skill, high-wage, or in-demand industry sector or occupation by the Secretary, State board, or local board;

(4) a description of State, local, or philanthropic funding, including through coordination and in-kind or non-financial support, if any, that will be provided to assist in carrying out the job guarantee program;

(5) an assurance that the eligible entity will establish—

(A) a public internet website, in conjunction with the Secretary, to post all available jobs under the job guarantee program; and

(B) a process for individuals to apply for such jobs;

(6) a comprehensive plan to describe how the funding under the program will leverage existing or anticipated local, State, and Federal funding;

(7) an assurance that necessary administrative data systems and information technology infrastructure are available, or will be available, to provide for full participation in the evaluation under subsection (k);

(8) a description of how the eligible entity will comply with the requirements described in subsection (c)(1)(F);

(9) an assurance that the entity will enter into an allocation agreement with the Secretary under subsection (k)(2)(A); and

(10) an assurance that energy and infrastructure jobs provided under the program will not exacerbate the impacts of climate change.

(f) SELECTION.—The Secretary, after reviewing applications from eligible entities, shall award grants under this section to not more than 15 such eligible entities. In awarding such grants, the Secretary shall consider diversity in geographic location, urban-rural composition, and political entity, including the representation of Tribal entities.

(g) AMOUNT OF GRANT.—

(1) ESTABLISHMENT OF FUND.—There is established in the Treasury of the United States a separate account to be known as the ''Job Guarantee

Program Trust Fund'' (referred to in this section as the ''Fund''), consisting of—

(A) amounts deposited in the Fund under subsection (o); and

(B) any interest earned on investment of amounts in the Fund.

(2) USE OF AMOUNTS.—The Secretary shall use amounts in the Fund to make payments to grantees under grants under this section in accordance with paragraph (3).

(3) PAYMENTS.—

(A) IN GENERAL.—The Secretary shall determine the annual amount of a grant under this section based on a formula to be developed by the Secretary.

(B) PAYMENTS.—The Secretary shall make payments to grantees under this section in a manner determined appropriate by the Secretary. The Secretary shall not make subsequent payments to a grantee after the initial payment until the grantee certifies to the Secretary that the grantee has expended, transferred, or obligated not less than 80 percent of the most recent payment made under this subsection.

(h) LIMITATIONS.—An eligible entity may not use amounts received under a grant under this section to—

(1) employ individuals who will replace, or lead to the displacement of, existing employees, positions, or individuals who would otherwise perform similar employment, or impair existing contracts and collective bargaining agreements, as described in subparagraph (A) or (B) of section 181(b)(2) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3241(b)(2));

(2) perform functions otherwise prohibited by Federal, State, or local laws; or

(3) carry out other prohibited activities, as determined by the Secretary.

(i) FEDERAL PROVISION OF JOBS IN PILOT SITES.—

(1) GUIDANCE.—Not later than 30 days after the date on which the Secretary awards the first grant under this section, the Secretary shall—

(A) provide guidance to the heads of appropriate Federal agencies to notify such agencies of job guarantee programs established under such grants; and

(B) request that such agencies notify the Secretary, not later 30 days of the date on which the guidance is received under subpara-

graph (A), of the number and types of jobs that such agency would make available through each of the programs.

(2) APPLICATION OF PROVISIONS.—Notwithstanding the requirements of subsection (c) relating to wages and benefits provided to participants in jobs provided under job guarantee programs and the limitations in subsection (h), an employer of a participant in a job guarantee program funded under this section that is a Federal agency may not employ such a participant for more than 3 years while the participant is enrolled in the program.

(3) LISTING OF JOBS ON WEBSITE.—The Secretary shall establish procedures to ensure that jobs identified under paragraph (1)(B) are listed on the appropriate public internet website as provided for under subsection (e)(5)(A).

(4) REIMBURSEMENT.—At the end of each fiscal year, the Secretary shall transfer from the Fund to each Federal agency that employs individuals under a job guarantee program under this section, an amount necessary to reimburse such agency for the full cost of employing each such individual during such fiscal year.

(j) TRAINING.—

(1) IN GENERAL.—The Secretary shall develop procedures to support not more than 8 weeks of paid training (through privately or publicly funded training programs, such as those provided by the public workforce system) to participants in order to perform duties required by job guarantee programs under this section, including a new period of training, of not more than 8 weeks, before commencing any new job under the program.

(2) SPECIFIC POPULATIONS.—In developing the procedures under paragraph (1), the Secretary shall provide that, with respect to individuals with a barrier to employment, the training period described in paragraph (1) shall prioritize specific job-related training and counseling and other general skills training to prepare such individuals to reenter the workforce.

(k) PRIORITIES AND AUDITS.—

(1) PRIORITIES.—Before awarding the initial grants under this section, the Secretary shall issue a list of national job priorities relating to jobs that may be carried out under job guarantee programs, that shall include child care, care for seniors and individuals with disabilities, clean energy jobs, and sustainable infrastructure activities. The Secretary

shall take State board and local board suggestions into consideration when issuing such list.

(2) AUDITS.—

(A) IN GENERAL.—The Secretary, acting through the Inspector General of the Department of Labor, shall carry out annual audits of the use of grant funds provided to eligible entities under this section.

(B) ALLOCATION AGREEMENTS AND MISUSE OF FUNDS.—

(i) ALLOCATION AGREEMENTS.—Each eligible entity that receives a grant under this section shall enter into an allocation agreement with the Secretary that provides that the Secretary shall recoup any amounts paid to the entity under a grant under this section if the results of an audit under subparagraph (A) include a finding that there was an intentional or reckless misuse of such funds by such entity.

(ii) LOSS OF ELIGIBILITY.—An eligible entity that is determined to have falsified or otherwise misstated data in any report submitted to the Secretary with the intent to deceive or mislead the Secretary

shall be ineligible to receive additional funds under this section.

(l) REPORTS.—Not later than 90 days after the end of each calendar year for which an eligible entity obligates or expends any amounts made available under a grant under this section, the eligible entity shall submit to the Secretary a report that—

(1) specifies the amount of grant funds obligated or expended for the preceding fiscal year;

(2) specifies any purposes for which the funds were obligated or expended; and

(3) includes any other information that the Secretary may require to more effectively administer the grant program under this section, including related to the indicators of performance under section 116(b)(2)(A)(i) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3141(b)(2)(A)(i)), with the performance data disaggregated by race, ethnicity, sex, age, and membership in a population specified in section 3(24) of such Act (29 U.S.C. 3102(24)).

(m) EVALUATION.—The Chief Evaluation Officer at the Department of Labor shall provide for the conduct of an evaluation of the pilot program established under this section, using a rigorous design and evaluation methods

to assess the implementation of the programs and their impact on—

(1) overall employment, public-sector employment, and private-sector employment;

(2) private sector employment, wages, and benefits;

(3) the poverty rate;

(4) public assistance spending and other Federal spending in the area served by the program;

(5) child health and educational outcomes;

(6) the health and well-being of those with mental, emotional, and behavioral health needs;

(7) incarceration rates;

(8) the environment, including air quality and water quality;

(9) the indicators of performance as described in subsection (l)(3); and

(10) other economic development and individual outcome indicators, as determined by the Secretary.

(n) EXPANSION OF WORK OPPORTUNITY CREDIT TO INCLUDE PARTICIPANTS IN JOB GUARANTEE PROGRAMS.—

(1) IN GENERAL.—Subsection (d) of section 51 of the Internal Revenue Code of 1986 is amended—

(A) in paragraph (1)—

(i) in subparagraph (I), by striking ''or'' at the end;

(ii) in subparagraph (J), by striking the period at the end and inserting '', or''; and

(iii) by adding at the end the following new subparagraph:

''(K) a qualified participant in a job guarantee program.''; and

(B) by adding at the end the following new paragraph:

''(16) QUALIFIED PARTICIPANT IN A JOB GUARANTEE PROGRAM.—The term 'qualified participant in a job guarantee program' means any individual who is certified by the designated local agency as having participated in a job guarantee program under section 2 of the Federal Jobs Guarantee Development Act of 2026 for not less than 3 months during the 6-month period ending on the hiring date.''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to individuals who begin work for the employer after December 31, 2026.

(o) APPROPRIATIONS.—There are appropriated to the Secretary such sums as may be necessary to carry out this section.

○