

117TH CONGRESS  
1ST SESSION

# H. R. 4651

To require the Secretary of Commerce, acting through the Assistant Secretary for Economic Development, to establish a RECOMPETE grant program to provide flexible, 10-year block grants for purposes of creating quality jobs, providing resources to help local residents access opportunities and attain and retain employment, increasing local per capita income and employment rates, and supporting long-term, sustained economic growth and opportunity in persistently distressed areas, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 22, 2021

Mr. KILMER (for himself, Ms. HERRERA BEUTLER, Ms. DELBENE, Mr. LAMALFA, Mr. AGUILAR, Mr. PALAZZO, Mr. BERA, Mr. BEYER, Mr. BLUMENAUER, Ms. BLUNT ROCHESTER, Mrs. BUSTOS, Mr. CARBAJAL, Mr. CICILLINE, Mr. COOPER, Ms. CRAIG, Mr. CROW, Ms. DAVIDS of Kansas, Mrs. DEMINGS, Mr. DEUTCH, Mrs. DINGELL, Mr. FOSTER, Mr. HARDER of California, Mr. HIMES, Mr. HORSFORD, Ms. HOULAHAN, Mr. JEFFRIES, Mr. KHANNA, Mr. KILDEE, Mr. KIND, Mr. LARSON of Connecticut, Mrs. LURIA, Ms. MANNING, Mrs. MCBATH, Mr. MORELLE, Mrs. MURPHY of Florida, Mr. NORCROSS, Mr. PANETTA, Mr. PERLMUTTER, Mr. PETERS, Mr. PHILLIPS, Miss RICE of New York, Mr. RYAN, Mr. SCHIFF, Ms. SCHRIER, Ms. SEWELL, Ms. SHERRILL, Mr. SOTO, Ms. STRICKLAND, Mr. TRONE, Mr. VELA, and Mr. YARMUTH) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Financial Services, 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

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## A BILL

To require the Secretary of Commerce, acting through the Assistant Secretary for Economic Development, to estab-

lish a RECOMPETE grant program to provide flexible, 10-year block grants for purposes of creating quality jobs, providing resources to help local residents access opportunities and attain and retain employment, increasing local per capita income and employment rates, and supporting long-term, sustained economic growth and opportunity in persistently distressed areas, 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,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Rebuilding Economies  
 5       and Creating Opportunities for More People Everywhere  
 6       To Excel Act” or the “RECOMPETE Act”.

7       **SEC. 2. DEFINITIONS.**

8       In this Act:

9               (1) APPLICABLE AREA.—The term “applicable  
 10       area”—

11               (A) with respect to a local labor market,  
 12       local community, or partial local labor market—

13               (i) means—

14                       (I) the geographical area of the  
 15                       local labor market, local community,  
 16                       or partial local labor market; and

17                       (II) each corresponding unit of  
 18                       local government in the geographical  
 19                       area described in subclause (I); and

1 (ii) does not include any Tribal land  
2 in the geographical area described in  
3 clause (i)(I), unless the Tribal government  
4 with jurisdiction over the Tribal land elects  
5 to participate in an applicable cooperation  
6 agreement under section 3(b)(2)(B); and

7 (B) with respect to a Tribal government,  
8 means the Tribal land subject to the jurisdic-  
9 tion of the Tribal government.

10 (2) APPLICANT.—The term “applicant”  
11 means—

12 (A) a unit of general local government,  
13 such as a county or a county equivalent (includ-  
14 ing a borough in the State of Alaska and a par-  
15 ish in the State of Louisiana), city, town, vil-  
16 lage, or other general-purpose political subdivi-  
17 sion of a State;

18 (B) the District of Columbia;

19 (C) a territory or possession of the United  
20 States;

21 (D) a Tribal government;

22 (E) a State-authorized political subdivision  
23 or other entity, such as a special-purpose entity  
24 engaged in economic development activities;

1 (F) a public or private nonprofit organiza-  
2 tion, acting in cooperation with the officials of  
3 a political subdivision or entity described in  
4 subparagraph (E);

5 (G) an economic development district (as  
6 defined in section 3 of the Public Works and  
7 Economic Development Act of 1965 (42 U.S.C.  
8 3122)); and

9 (H) a consortium of units of general local  
10 government within an applicable area.

11 (3) COOPERATION AGREEMENT.—The term  
12 “cooperation agreement” means an agreement en-  
13 tered into under section 3(b) relating to the imple-  
14 mentation of a RECOMPETE plan for an applicable  
15 area.

16 (4) ELIGIBLE.—The term “eligible” means—

17 (A) with respect to a local labor market,  
18 local community, partial local labor market, or  
19 Tribal government, that the local labor market,  
20 local community, partial local labor market, or  
21 Tribal government meets the applicable distress  
22 eligibility criteria described in section 3(a); and

23 (B) with respect to an applicant or lead  
24 entity, that the applicant or lead entity has sub-  
25 mitted an application for a RECOMPETE

1 grant under section 4(a)(2) relating to a local  
2 labor market, local community, partial local  
3 labor market, or Tribal government described in  
4 subparagraph (A).

5 (5) LEAD ENTITY.—The term “lead entity”  
6 means an applicant designated to act as a lead enti-  
7 ty pursuant to an applicable cooperation agreement.

8 (6) LOCAL COMMUNITY.—

9 (A) IN GENERAL.—The term “local com-  
10 munity” means the area served by an applicant  
11 described in paragraph (2)(A) that—

12 (i)(I) is located within a local labor  
13 market or partial local labor market that is  
14 not eligible; or

15 (II) is not coexistent with a local labor  
16 market; and

17 (ii) meets such additional criteria, in-  
18 cluding a minimum population require-  
19 ment, as the Secretary may establish.

20 (B) INCLUSIONS.—The term “local com-  
21 munity” includes a consortium of 2 or more ap-  
22 plicants described in subparagraph (A)—

23 (i) all of which are located within the  
24 same local labor market; or

1 (ii) each of which is directly adjacent  
2 to an area described in subparagraph (A).

3 (7) LOCAL LABOR MARKET.—The term “local  
4 labor market” means any of the following areas that  
5 contains 1 or more applicants described in subpara-  
6 graphs (A) through (C) of paragraph (2):

7 (A) A commuting zone, as defined by the  
8 Economic Research Service of the Department  
9 of Agriculture.

10 (B) Subject to subparagraph (C), if 1 or  
11 more discrete metropolitan statistical areas or  
12 micropolitan statistical areas, as defined by the  
13 Office of Management and Budget (collectively  
14 referred to as “core-based statistical areas”),  
15 exist within a commuting zone described in sub-  
16 paragraph (A), each such core-based statistical  
17 area.

18 (C) If the remaining area of a commuting  
19 zone described in subparagraph (A), excluding  
20 all core-based statistical areas within the com-  
21 muting zone described in subparagraph (B),  
22 contains 1 or fewer counties and has a popu-  
23 lation of 7,500 or fewer residents, that remain-  
24 ing area combined with an adjacent core-based  
25 statistical area within the commuting zone.

1           (8) PARTIAL LOCAL LABOR MARKET.—The  
2       term “partial local labor market” means a geo-  
3       graphical area that—

4           (A) is located within, but is not coextensive  
5       with, a local labor market; and

6           (B) contains 1 or more applicants de-  
7       scribed in subparagraphs (A) through (C) of  
8       paragraph (2).

9           (9) PRIME-AGE.—The term “prime-age” means  
10      individuals between the ages of 25 years and 54  
11      years.

12          (10) PRIME-AGE EMPLOYMENT GAP.—

13           (A) IN GENERAL.—The term “prime-age  
14      employment gap”, with respect to an applicable  
15      area, means the difference (expressed as a per-  
16      centage), calculated in accordance with sub-  
17      paragraph (B), between—

18           (i) the national 5-year average prime-  
19      age employment rate; and

20           (ii) the 5-year average prime-age em-  
21      ployment rate of the applicable area.

22           (B) CALCULATION.—For purposes of cal-  
23      culating the prime-age employment gap under  
24      subparagraph (A), an applicant shall use data  
25      relating to the most recent 5-year period for

1 which data are available preceding the first date  
2 of the application period established for the ap-  
3 plicant under section 4(a)(2)(B).

4 (11) PRIME-AGE EMPLOYMENT RATE.—

5 (A) IN GENERAL.—The term “prime-age  
6 employment rate”, with respect to an applicable  
7 area, means the quotient (expressed as a per-  
8 centage), calculated in accordance with sub-  
9 paragraph (B), obtained by dividing—

10 (i) the 5-year average quantity of the  
11 prime-age population of the applicable area  
12 that is employed; by

13 (ii) the total prime-age population of  
14 the applicable area.

15 (B) CALCULATION.—For purposes of cal-  
16 culating the prime-age employment rate under  
17 subparagraph (A), an applicant shall use data  
18 relating to the most recent 5-year period for  
19 which data are available preceding the first date  
20 of the application period established for the ap-  
21 plicant under section 4(a)(2)(B).

22 (12) RECIPIENT.—The term “recipient” means,  
23 as applicable—

24 (A) an applicant to which a RECOMPETE  
25 grant is provided; or

1 (B) a lead entity designated pursuant to a  
2 cooperation agreement entered into under sec-  
3 tion 3(b) for an applicable area for which a RE-  
4 COMPETE grant is provided.

5 (13) RECOMPETE GRANT.—The term “RE-  
6 COMPETE grant” means a grant provided to a re-  
7 cipient under section 4(a).

8 (14) RECOMPETE PLAN.—The term “RE-  
9 COMPETE plan” means a plan developed by an ap-  
10 plicant under section 4(b).

11 (15) SECRETARY.—The term “Secretary”  
12 means the Secretary of Commerce, acting through  
13 the Assistant Secretary for Economic Development.

14 (16) SUBRECIPIENT.—The term “subrecipient”  
15 means an applicant located within an applicable area  
16 that—

17 (A) is not a recipient; but

18 (B) receives funds provided under a RE-  
19 COMPETE grant in such manner and in such  
20 amounts as may be agreed to in the RECOM-  
21 PETE plan for the applicable area.

22 (17) TRIBAL GOVERNMENT.—The term “Tribal  
23 government” means the recognized governing body  
24 of any Indian or Alaska Native tribe, band, nation,  
25 pueblo, village, community, component band, or com-

ponent reservation, individually identified (including parenthetically) in the list published by the Bureau of Indian Affairs on January 29, 2021, pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131).

(18) TRIBAL LAND.—The term “Tribal land” means—

(A) any land located within the boundaries of an Indian reservation, pueblo, or rancheria; or

(B) any land not located within the boundaries of an Indian reservation, pueblo, or rancheria, the title to which is held—

(i) in trust by the United States for the benefit of an Indian Tribe or an individual Indian;

(ii) by an Indian Tribe or an individual Indian, subject to restriction against alienation under laws of the United States; or

(iii) by a dependent Indian community.

### **SEC. 3. DISTRESS ELIGIBILITY CRITERIA AND COOPERATION AGREEMENTS.**

(a) DISTRESS ELIGIBILITY.—

1           (1) CRITERIA.—To be eligible for a RECOM-  
2       PETE grant, a local labor market, local community,  
3       partial local labor market, or Tribal government  
4       shall meet the following criteria, as applicable, as de-  
5       termined by the Secretary:

6           (A) LOCAL LABOR MARKETS.—A local  
7       labor market shall have a prime-age employ-  
8       ment gap equal to not less than 2.5 percent.

9           (B) LOCAL COMMUNITIES.—A local com-  
10      munity shall—

11           (i) meet the applicable requirements  
12           described in section 2(6); and

13           (ii) have—

14               (I) a median household income  
15               equal to not more than \$75,000; and

16               (II)(aa) a prime-age employment  
17               gap of not less than 5 percent; or

18               (bb) as determined by the Sec-  
19               retary, a special need arising from—

20                   (AA) a recent decrease in  
21                   the applicable prime-age employ-  
22                   ment rate; or

23                   (BB) another severe eco-  
24                   nomic disruption that is likely to

1                   reduce the applicable prime-age  
2                   employment rate.

3                   (C) PARTIAL LOCAL LABOR MARKETS.—A  
4                   partial local labor market shall—

5                   (i) have a prime-age employment gap  
6                   equal to not less than 2.5 percent; and

7                   (ii) receive a waiver under subsection  
8                   (b)(3)(A).

9                   (D) TRIBAL GOVERNMENTS.—

10                  (i) IN GENERAL.—A Tribal govern-  
11                  ment shall have a prime-age employment  
12                  gap of not less than 2.5 percent, as cal-  
13                  culated under clause (ii).

14                  (ii) CALCULATION.—For purposes of  
15                  clause (i), the prime-age employment gap  
16                  of a Tribal government shall be calculated,  
17                  with respect to the most recent 5-year pe-  
18                  riod for which data are available, for all in-  
19                  dividuals residing on the Tribal land of the  
20                  Tribal government.

21                  (2) LIMITATIONS.—

22                  (A) APPLICABLE AREAS.—A local labor  
23                  market, local community, partial local labor  
24                  market, or Tribal government shall not be eligi-

1           ble to receive more than 1 RECOMPETE  
2           grant.

3           (B) APPLICANTS.—For purposes of the  
4           RECOMPETE grant program, an applicant  
5           may not be considered to be located in, or sub-  
6           mit an application under section 4(a)(2) on be-  
7           half of, more than 1 eligible local labor market,  
8           local community, partial local labor market, or  
9           Tribal government.

10       (b) COOPERATION AGREEMENTS.—

11           (1) REQUIREMENT.—

12           (A) IN GENERAL.—Subject to paragraph  
13           (3), if an applicable area contains 2 or more ap-  
14           plicants described in subparagraph (A), (B), or  
15           (C) of section 2(2), each such applicant shall,  
16           as a condition of receiving a RECOMPETE  
17           grant for the applicable area—

18                   (i) enter into a legally binding co-  
19                   operation agreement for the applicable  
20                   area in accordance with subparagraph (C);  
21                   and

22                   (ii) designate 1 applicant as the lead  
23                   entity to act in a representative capacity  
24                   for purposes of assuming overall responsi-  
25                   bility for carrying out the programs and

1 activities, and achieving compliance with  
2 the applicable requirements, under the RE-  
3 COMPETE grant.

4 (B) PARTICIPATION BY OTHER APPLI-  
5 CANTS.—An applicant described in subpara-  
6 graph (E), (F), or (G) of section 2(2) that is  
7 located in an applicable area for which a co-  
8 operation agreement is entered into under sub-  
9 paragraph (A) may elect to join the cooperation  
10 agreement, at the discretion of the applicant.

11 (C) TERMS.—A cooperation agreement  
12 under this subsection shall include—

13 (i) a written statement that—

14 (I) is executed by each applicant  
15 that is a party to the cooperation  
16 agreement; and

17 (II) establishes the consent of the  
18 applicant to be bound by the terms  
19 of—

20 (aa) the cooperation agree-  
21 ment; and

22 (bb) the RECOMPETE plan  
23 for the applicable area; and

1 (ii) a process for redress of any ac-  
2 tion, or failure to act, by the lead entity  
3 that is detrimental to an applicant.

4 (D) LIMITATION.—An applicable area may  
5 be the subject of only 1 cooperation agreement.

6 (2) ELECTION BY LOCAL COMMUNITIES AND  
7 TRIBAL GOVERNMENTS.—

8 (A) LOCAL COMMUNITIES.—

9 (i) IN GENERAL.—A local community  
10 may enter into a cooperation agreement  
11 described in paragraph (1) with any other  
12 local communities located within the same  
13 local labor market, subject to the condition  
14 that 1 or more of those local communities  
15 shall be an eligible local community.

16 (ii) PARTIES.—A cooperation agree-  
17 ment under clause (i) may be executed be-  
18 tween or among—

19 (I) an eligible local community;

20 and

21 (II) 1 or more—

22 (aa) other eligible local com-  
23 munities, or applicants within an  
24 eligible local community, located

1 within the same local labor mar-  
2 ket; or

3 (bb) applicants that are not  
4 located within an eligible local  
5 community, but are located with-  
6 in the same local labor market as  
7 an eligible local community.

8 (iii) ADDITIONAL AMOUNTS.—On exe-  
9 cution of a cooperation agreement under  
10 this subparagraph involving 1 or more ap-  
11 plicants described in clause (ii)(II)(bb), the  
12 Secretary may award additional amounts  
13 in accordance with subsection (c)(6) of sec-  
14 tion 6, subject to the applicable cost-shar-  
15 ing requirements of subsection (e)(2) of  
16 that section.

17 (B) TRIBAL GOVERNMENTS.—

18 (i) IN GENERAL.—Regardless of  
19 whether the Tribal government is eligible,  
20 subject to clause (ii), a Tribal government  
21 may elect to enter into a cooperation  
22 agreement described in paragraph (1) with  
23 1 or more applicants from an eligible local  
24 labor market, local community, or partial

1 local labor market that is adjacent to the  
2 Tribal land of the Tribal government.

3 (ii) DEADLINE.—An election by a  
4 Tribal government under clause (i) shall be  
5 made by not later than 45 days after the  
6 first date of the application period estab-  
7 lished for the Tribal government under  
8 section 4(a)(2)(B).

9 (iii) TREATMENT.—If a Tribal gov-  
10 ernment elects to enter into a cooperation  
11 agreement under clause (i)—

12 (I) the Tribal land of the Tribal  
13 government shall be—

14 (aa) considered to be in-  
15 cluded in the applicable area of  
16 the eligible local labor market,  
17 local community, or partial local  
18 labor market that is the subject  
19 of the cooperation agreement;  
20 and

21 (bb) subject to the RECOM-  
22 PETE plan for the applicable  
23 area described in item (aa); and

24 (II) the amount of the RECOM-  
25 PETE grant to which the Tribal gov-

ernment is otherwise eligible to receive, if applicable—

(aa) shall not be decreased;

and

(bb) shall be added to the amount provided to the applicable lead entity for use in accordance with the RECOMPETE plan.

(iv) ENCOURAGEMENT TO COLLABORATE.—To the maximum extent practicable, the Secretary shall encourage Tribal governments to enter into cooperation agreements described in clause (i).

(v) EFFECT OF SUBPARAGRAPH.—Nothing in this subparagraph—

(I) requires a Tribal government to enter into a cooperation agreement in order to receive a RECOMPETE grant;

(II) penalizes a Tribal government that does not elect to participate in a cooperation agreement; or

1 (III) otherwise affects the  
2 amount of a RECOMPETE grant to  
3 be provided to any Tribal government.

4 (3) WAIVERS.—

5 (A) IN GENERAL.—The Secretary may  
6 waive the requirement under paragraph (1)  
7 with respect to an applicant acting on behalf of  
8 a partial local labor market that—

9 (i) meets the criterion described in  
10 subsection (a)(1)(C)(i);

11 (ii) is located within an eligible local  
12 labor market with respect to which a co-  
13 operation agreement is unable to be exe-  
14 cuted under paragraph (1), despite reason-  
15 able efforts; and

16 (iii) submits to the Secretary a re-  
17 quest for a waiver under this paragraph  
18 demonstrating the ability to carry out the  
19 programs and activities, and achieve com-  
20 pliance with the applicable requirements,  
21 under sections 4 and 5 in the applicable  
22 area.

23 (B) EFFECT.—On receipt of a waiver  
24 under subparagraph (A), a partial local labor  
25 market—

(i) shall be eligible to receive a RECOMPETE grant; and

(ii) may elect to carry out the programs and activities, and achieve compliance with the applicable requirements, in the applicable area under the RECOMPETE grant—

(I) independently; or

(II) by designating from among applicants located within the applicable area a lead entity pursuant to a cooperation agreement described in paragraph (1), which shall submit to the Secretary a written notice in accordance with paragraph (4).

(4) SUBMISSION TO SECRETARY.—On execution of a cooperation agreement under paragraph (1), (2), or (3)(B)(ii)(II), the lead entity shall submit to the Secretary a written notice that—

(A) describes—

(i) the cooperation agreement;

(ii) the date of execution of the cooperation agreement;

(iii) the authorization of the lead entity under the cooperation agreement; and

(iv) the formation of a consortium described in section 2(2)(H) under the cooperation agreement, if applicable; and

(B) includes—

(i) a copy of each written statement under paragraph (1)(C)(i) relating to the cooperation agreement; and

(ii) any necessary certifications or other documentation relating to the cooperation agreement.

**SEC. 4. RECOMPETE GRANT PROGRAM.**

(a) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary shall establish a formula grant program under which the Secretary shall provide to eligible applicants and lead entities block grants, to be known as “RECOMPETE grants”, to carry out programs and activities in the applicable areas served by the applicants and lead entities that—

(A) create quality jobs;

(B) provide resources to help local residents—

(i) access opportunities; and

(ii) attain and retain employment;

1 (C) increase local per capita income and  
2 prime-age employment rates; and

3 (D) support long-term, sustained economic  
4 growth and opportunity in persistently dis-  
5 tressed areas.

6 (2) APPLICATIONS.—

7 (A) IN GENERAL.—To be considered for  
8 the provision of a RECOMPETE grant, an eli-  
9 gible applicant or lead entity shall submit to the  
10 Secretary an application—

11 (i) at such time, in such manner, and  
12 containing such information as the Sec-  
13 retary determines to be appropriate; and

14 (ii) that includes a RECOMPETE  
15 plan for the applicable area served by the  
16 applicant or lead entity, in accordance with  
17 subsection (b).

18 (B) APPLICATION WINDOWS.—In carrying  
19 out the RECOMPETE grant program, the Sec-  
20 retary shall establish the periods during which  
21 applications may be submitted under subpara-  
22 graph (A), subject to the conditions that—

23 (i) the initial application period estab-  
24 lished under this subparagraph shall be not  
25 less than 3 years; and

1 (ii) for the second application period  
2 under this subparagraph and each period  
3 thereafter, the Secretary may, as the Sec-  
4 retary determines to be appropriate—

5 (I) extend the period;

6 (II) accept late applications;

7 (III) initiate a new application  
8 cycle; and

9 (IV) establish additional rules  
10 and regulations under this subsection.

11 (C) LIMITATIONS.—

12 (i) IN GENERAL.—Subject to clause  
13 (ii), the Secretary may establish a limita-  
14 tion on—

15 (I) the number of applications to  
16 be accepted by the Secretary during  
17 each fiscal year from each type of ap-  
18 plicant; and

19 (II) the total amount of each  
20 RECOMPETE grant payment pro-  
21 vided for each fiscal year.

22 (ii) REQUIREMENTS.—In establishing  
23 any limitation under clause (i), the Sec-  
24 retary shall ensure that—

1 (I) each applicant and lead entity  
2 that submits to the Secretary an ap-  
3 plication satisfactory to the Secretary  
4 for an application period established  
5 under subparagraph (B) shall be con-  
6 sidered for receipt of a RECOMPETE  
7 grant during that application period;  
8 and

9 (II) the Secretary is able—

10 (aa) to review applications  
11 and provide technical assistance  
12 and expertise to applicants in the  
13 development and implementation  
14 of RECOMPETE plans; and

15 (bb) to conduct benchmark  
16 evaluations and meet applicable  
17 reporting requirements in accord-  
18 ance with section 5.

19 (D) PRIORITY.—In selecting recipients of  
20 RECOMPETE grants, the Secretary shall give  
21 priority consideration to severely distressed, eli-  
22 gible—

23 (i) local labor markets; and

24 (ii) Tribal governments.

1           (E) APPROVAL.—The Secretary shall ap-  
2           prove or disapprove each application submitted  
3           under this paragraph (including the RECOM-  
4           PETE plan included in the application) as soon  
5           as practicable after the date of receipt of the  
6           application.

7           (3) TERM.—A RECOMPETE grant shall—

8                   (A) have a term of 10 fiscal years; and

9                   (B) be disbursed over that term in accord-  
10          ance with section 6(d).

11       (b) RECOMPETE PLANS.—

12           (1) IN GENERAL.—As a condition of receipt of  
13          a RECOMPETE grant, the application of an appli-  
14          cant or lead entity under subsection (a)(2) shall in-  
15          clude a RECOMPETE plan for the applicable area  
16          served by the applicant or lead entity in accordance  
17          with this subsection.

18           (2) REQUIREMENTS.—A RECOMPETE plan  
19          shall include the following information with respect  
20          to the applicable area:

21                   (A) An identification of—

22                           (i) each economic development chal-  
23                           lenge proposed to be addressed using a  
24                           RECOMPETE grant; and

1                   (ii) any past, present, or projected fu-  
2                   ture economic development investments in  
3                   the applicable area, including, with respect  
4                   to the investment—

5                               (I) each public and private par-  
6                               ticipant; and

7                               (II) each source of funding.

8                   (B) A comprehensive strategy, for the 10-  
9                   year period beginning on the proposed date of  
10                  receipt of a RECOMPETE grant, to address  
11                  the economic challenges identified under sub-  
12                  paragraph (A)(i), in accordance with subsection  
13                  (d), in a manner that—

14                           (i) promotes long-term, sustained eco-  
15                           nomic growth, opportunity, job creation,  
16                           employment, and increased per capita in-  
17                           come;

18                           (ii) reduces the prime-age employment  
19                           gap of the applicable area;

20                           (iii) creates jobs and connects local  
21                           workers to employment and other economic  
22                           opportunities;

23                           (iv) maximizes the effective develop-  
24                           ment and use of the local workforce; and

1 (v) provides accessible resources to  
2 support job attainment and retention.

3 (C) The total projected cost to carry out  
4 the RECOMPETE plan.

5 (D) The total amount of the RECOM-  
6 PETE grant requested, and the justification for  
7 that amount.

8 (E) The roles and responsibilities of each  
9 recipient and subrecipient carrying out an activ-  
10 ity under the RECOMPETE plan.

11 (F) The proposed allocation by the recipi-  
12 ent to subrecipients of any RECOMPETE  
13 grant amounts.

14 (G) An identification of certain benchmark  
15 criteria for use in benchmark evaluations under  
16 section 5(a), including reducing the prime-age  
17 employment gap of the applicable area by cer-  
18 tain percentages at periodic intervals, with the  
19 goals of—

20 (i) reducing the prime-age employ-  
21 ment gap by not less than 50 percent on  
22 completion of the term of the RECOM-  
23 PETE grant provided to the recipient; and

1                   (ii) achieving compliance with such  
2                   other criteria as the Secretary may estab-  
3                   lish.

4                   (3) OPTIONAL INCLUSIONS.—A RECOMPETE  
5                   plan may include strategies—

6                   (A) to address inequality in the applicable  
7                   area, such as inequality with respect to income,  
8                   opportunity, or employment on the basis of  
9                   race, gender, religion, or sexual orientation;

10                  (B) to support business development and  
11                  entrepreneurship; and

12                  (C) to support innovation and businesses,  
13                  job creation, and workforce development in in-  
14                  dustries expected to continue or increase in  
15                  force in the applicable area.

16                  (4) CONSENT OF PARTIES TO COOPERATION  
17                  AGREEMENT.—If an applicable area is subject to a  
18                  cooperation agreement under section 3(b), the RE-  
19                  COMPETE plan for the applicable area shall be—

20                  (A) developed in accordance with that co-  
21                  operation agreement; and

22                  (B) consented to by each applicant that is  
23                  a party to the cooperation agreement.

24                  (5) INTEGRATION WITH COMPREHENSIVE ECO-  
25                  NOMIC DEVELOPMENT STRATEGY.—If an applicable

1 area is subject to a comprehensive economic develop-  
 2 ment strategy approved by the Secretary under sec-  
 3 tion 302 of the Public Works and Economic Devel-  
 4 opment Act of 1965 (42 U.S.C. 3162), the RECOM-  
 5 PETE plan for the applicable area—

6 (A) shall be integrated with that strategy,  
 7 to the maximum extent practicable; and

8 (B) may be developed and included as a  
 9 supplemental portion of that strategy, rather  
 10 than as an independent plan.

11 (6) APPROVAL BY SECRETARY.—The Secretary  
 12 shall approve a RECOMPETE plan that the Sec-  
 13 retary determines meets the applicable requirements  
 14 of this subsection.

15 (c) PLANNING AND TECHNICAL ASSISTANCE.—

16 (1) PLANNING ASSISTANCE.—

17 (A) IN GENERAL.—For purposes of assist-  
 18 ing a recipient in developing a RECOMPETE  
 19 plan, the Secretary may make an advance pay-  
 20 ment of a RECOMPETE grant in accordance  
 21 with subparagraph (B), if the Secretary deter-  
 22 mines that—

23 (i) the recipient requires such an ad-  
 24 vance; and

25 (ii) the advance will be used—

1 (I) effectively; and

2 (II) for planning purposes.

3 (B) MAXIMUM AMOUNT.—The amount of  
4 an advance payment under subparagraph (A)  
5 shall be equal to not more than the lesser of—

6 (i) an amount equal to 5 percent of  
7 the maximum RECOMPETE grant  
8 amount to be provided to the applicable re-  
9 cipient; and

10 (ii) \$300,000.

11 (C) NO COST SHARE.—An advance pay-  
12 ment made under this paragraph shall not be  
13 subject to any cost-sharing requirement.

14 (2) TECHNICAL ASSISTANCE.—The Secretary  
15 shall provide technical assistance, if necessary, in  
16 each applicable area relating to—

17 (A) the development of a RECOMPETE  
18 plan that meets the applicable requirements of  
19 this subsection with respect to the applicable  
20 area; and

21 (B) implementation of the programs and  
22 activities included in the RECOMPETE plan  
23 for the applicable area.

24 (d) USE OF FUNDS.—

1           (1) IN GENERAL.—Subject to paragraphs (2)  
2           and (3), a recipient or subrecipient may use a RE-  
3           COMPETE grant to carry out programs and activi-  
4           ties in the applicable area, in accordance with the  
5           RECOMPETE plan, including—

6                   (A) the provision of business advice and  
7                   assistance to small and medium-sized local busi-  
8                   nesses and entrepreneurs, including—

- 9                           (i) manufacturing extension services;  
10                           (ii) small business development cen-  
11                           ters;  
12                           (iii) centers to help businesses bid for  
13                           Federal procurement contracts;  
14                           (iv) entrepreneurial assistance pro-  
15                           grams that link entrepreneurs with avail-  
16                           able public and private resources;  
17                           (v) legal advice and resources; and  
18                           (vi) assistance in accessing capital;

19                   (B) land and site development programs,  
20                   such as brownfield redevelopment, research and  
21                   technology parks, business incubators, business  
22                   corridor development, and Main Street redevel-  
23                   opment programs;

1 (C) infrastructure and housing activities  
2 that are directly related to supporting job cre-  
3 ation and employment for residents, such as—

4 (i) improvements to transit, roads,  
5 and broadband access;

6 (ii) affordable housing development;

7 (iii) land-use and zoning reforms; and

8 (iv) transit-oriented development ac-  
9 tivities;

10 (D) job training oriented to local employer  
11 needs, such as customized job training pro-  
12 grams carried out by local community colleges  
13 in partnership with local businesses;

14 (E) workforce outreach programs, such  
15 as—

16 (i) programs located in, and targeted  
17 to, lower-income and underemployed neigh-  
18 borhoods; and

19 (ii) embedding job placement and  
20 training services in neighborhood institu-  
21 tions such as churches, housing projects,  
22 and community advocacy programs;

23 (F) job retention programs and activities,  
24 such as the provision of—

1 (i) job coaches, including at locations  
2 of employment;

3 (ii) child care services, including sub-  
4 sidizing the construction, operation, main-  
5 tenance, and labor costs of child care cen-  
6 ters; and

7 (iii) transportation support, such as  
8 support for vehicle repairs to assist in the  
9 transit of workers to jobs; and

10 (G) such other programs and activities as  
11 the Secretary determines to be appropriate, in-  
12 cluding any proposed programs or activities  
13 that the recipient demonstrates clearly and sub-  
14 stantially, to the satisfaction of the Secretary,  
15 will directly advance the goals of the RECOM-  
16 PETE grant program.

17 (2) METHOD.—In carrying out programs and  
18 activities described in paragraph (1), a recipient or  
19 subrecipient may—

20 (A) use amounts provided under a RE-  
21 COMPETE grant to carry out such a program  
22 or activity directly; or

23 (B) enter into a contract or other agree-  
24 ment with a subcontractor or vendor (including  
25 nongovernmental, nonprofit organizations and

1           for-profit entities) to carry out such a program  
2           or activity.

3           (3) OUTSIDE PROGRAMS AND ACTIVITIES.—A  
4           recipient acting on behalf of an eligible local commu-  
5           nity that enters into a cooperation agreement under  
6           section 3(b)(2)(A)(ii)(II) with a local community  
7           that is not eligible, but is located within the same  
8           local labor market, may use amounts provided under  
9           a RECOMPETE grant to carry out a program or  
10          activity described in paragraph (1) in the ineligible  
11          local community, if the program or activity would  
12          provide a benefit to residents of the eligible local  
13          community.

14          (e) REGIONAL COMMISSIONS.—

15           (1) DEFINITION OF REGIONAL COMMISSION.—  
16          In this subsection, the term “Regional Commission”  
17          means—

18                   (A) any of the Regional Commissions (as  
19                   defined in section 3 of the Public Works and  
20                   Economic Development Act of 1965 (42 U.S.C.  
21                   3122));

22                   (B) the Northern Border Regional Com-  
23                   mission;

24                   (C) the Southeast Crescent Regional Com-  
25                   mission;

1 (D) the Southwest Border Regional Com-  
2 mission; and

3 (E) any other regional commission estab-  
4 lished under Federal law, subject to the ap-  
5 proval of the Secretary.

6 (2) TECHNICAL ASSISTANCE AND SUPPORT.—If  
7 an applicant (or any portion of the service area of  
8 an applicant) is located in a region covered by a Re-  
9 gional Commission, the Regional Commission is en-  
10 couraged to provide technical assistance and other  
11 support relating to applying for a RECOMPETE  
12 grant and developing and carrying out a RECOM-  
13 PETE plan to—

14 (A) the applicant;

15 (B) the lead entity, if applicable; and

16 (C) any other relevant entities.

17 (3) ACTION BY SECRETARY.—The Secretary  
18 shall—

19 (A) encourage each recipient to coordinate  
20 the implementation of a RECOMPETE plan  
21 with the activities of each Regional Commission  
22 serving the region in which the applicable area  
23 is located; and

1 (B) ensure that a copy of the RECOM-  
 2 PETE plan for each applicable area is provided  
 3 to each affected Regional Commission.

4 **SEC. 5. ADMINISTRATION, REPORTING, AND OVERSIGHT.**

5 (a) BENCHMARK EVALUATIONS.—

6 (1) IN GENERAL.—The Secretary shall establish  
 7 a process under which the Secretary shall conduct  
 8 periodic benchmark evaluations of each recipient to  
 9 ensure that the recipient successfully carries out the  
 10 programs and activities described in the RECOM-  
 11 PETE plan of the recipient.

12 (2) TIMING.—The Secretary shall conduct a  
 13 benchmark evaluation of a recipient under this sub-  
 14 section—

15 (A) for a recipient of a RECOMPETE  
 16 grant provided during the initial application pe-  
 17 riod under section 4(a)(2)(B)(i), by not later  
 18 than 3 years after the date of the initial award  
 19 of the RECOMPETE grant; and

20 (B) not less frequently than once every 2  
 21 years thereafter during the term of the RE-  
 22 COMPETE grant provided to the recipient.

23 (3) CRITERIA.—In conducting a benchmark  
 24 evaluation of a recipient under this subsection, the

1 Secretary shall determine whether the recipient  
2 has—

3 (A) adhered to the timelines and require-  
4 ments of the programs and activities identified  
5 in the RECOMPETE plan of the recipient;

6 (B) made sufficient progress toward  
7 achieving the benchmarks and objectives de-  
8 scribed in that RECOMPETE plan;

9 (C) increased the overall employment rate,  
10 the prime-age employment rate, median house-  
11 hold income, and per capita income in the ap-  
12 plicable area; and

13 (D) achieved compliance with such other  
14 criteria as the Secretary determines to be rel-  
15 evant.

16 (b) MODIFICATION OF PLANS.—

17 (1) REQUIREMENT FOR RECIPIENTS.—A recipi-  
18 ent shall modify the RECOMPETE plan of the re-  
19 cipient, or any program or activity conducted under  
20 that RECOMPETE plan, if the Secretary—

21 (A) determines that—

22 (i) such a program or activity is inef-  
23 fective or underperforming; or

24 (ii) with respect to the RECOMPETE  
25 plan, program, or activity—

1 (I) an applicable performance  
2 metric or criterion has not been met;  
3 or

4 (II) funds have been misused;  
5 and

6 (B) directs the recipient to modify the RE-  
7 COMPETE plan, program, or activity.

8 (2) AUTHORITY OF SECRETARY.—

9 (A) ADJUSTMENTS AND INCREASES IN  
10 FUNDING.—The Secretary may increase the  
11 amount of the RECOMPETE grant provided to  
12 the recipient as the Secretary determines to be  
13 appropriate, taking into consideration any  
14 modifications made to the RECOMPETE plan  
15 under paragraph (1), in an amount equal to not  
16 more than the maximum amount available on  
17 the date of approval of the RECOMPETE  
18 grant application for the applicable area and  
19 subject to the availability of funds, if the Sec-  
20 retary determines that—

21 (i) events or other factors beyond the  
22 control of the recipient significantly—

23 (I) altered applicable project cir-  
24 cumstances; or

1 (II) prevented the recipient from  
2 meeting the objectives and bench-  
3 marks of the RECOMPETE plan; or  
4 (ii) a labor market, economic, busi-  
5 ness, or technology shift, or any other  
6 major factor, warrants such a modification  
7 and increase in funding.

8 (B) WITHHOLDING AND TERMINATING  
9 FUNDING.—The Secretary may temporarily  
10 withhold or terminate any amount scheduled to  
11 be provided under a RECOMPETE grant if the  
12 Secretary determines that—

13 (i) after a reasonable effort, an agree-  
14 ment cannot be reached with respect to a  
15 modification to a RECOMPETE plan rec-  
16 ommended or required by the Secretary  
17 under this subsection; or

18 (ii)(I) a gross, intentional misuse of  
19 RECOMPETE grant funds (including any  
20 activity subject to a penalty under section  
21 605 of the Public Works and Economic  
22 Development Act of 1965 (42 U.S.C.  
23 3215)) has occurred; and

24 (II) the individual or entity respon-  
25 sible for the misuse is not removed from all

1 programs and activities carried out under  
2 the RECOMPETE plan.

3 (c) RECIPIENT REPORTING REQUIREMENTS.—Each  
4 recipient shall be subject to—

5 (1) the grant reporting requirements under part  
6 200 of title 2, Code of Federal Regulations (or suc-  
7 cessor regulations); and

8 (2) such additional, clear, annual reporting re-  
9 quirements as the Secretary may establish to gather  
10 any information necessary to conduct the benchmark  
11 and final evaluations under this section.

12 (d) FINAL EVALUATION.—

13 (1) IN GENERAL.—Not later than 1 year after  
14 the final disbursement of a RECOMPETE grant is  
15 provided to each recipient, the Secretary, in coopera-  
16 tion with the recipient and each applicable sub-  
17 recipient, shall conduct a final evaluation of the suc-  
18 cess of the programs and activities carried out under  
19 the RECOMPETE plan of the recipient.

20 (2) CRITERIA.—The Secretary shall establish  
21 criteria for use in conducting final evaluations under  
22 this subsection—

23 (A) in addition to the criteria established  
24 under subsection (a)(3); and

1 (B) taking into consideration the goal of  
2 reducing the prime-age employment gap of each  
3 applicable area by 50 percent.

4 (3) REQUIREMENTS FOR RECIPIENTS.—Each  
5 recipient and subrecipient shall—

6 (A) cooperate with the Secretary in con-  
7 ducting a final evaluation under this subsection;  
8 and

9 (B) provide to the Secretary any informa-  
10 tion necessary for that evaluation.

11 (e) REPORT TO CONGRESS.—The Secretary shall  
12 submit to Congress comprehensive and detailed annual re-  
13 ports describing the implementation of this Act, including,  
14 with respect to the period covered by the report—

15 (1)(A) a summary assessment of the overall  
16 progress of the RECOMPETE grant program; and

17 (B) as data become available, an analysis of the  
18 effectiveness of that program;

19 (2) labor market and economic metrics to de-  
20 scribe the impact of the RECOMPETE grant pro-  
21 gram, including any progress made toward—

22 (A) decreasing prime-age employment  
23 gaps; or

24 (B) increasing local per capita income;

25 (3) detailed demographic analyses of—

1 (A) the populations served by recipients;

2 and

3 (B) relevant labor market statistics;

4 (4) a summary of the benchmark evaluations  
5 conducted under subsection (a), as available;

6 (5) an identification of, and reasons for reject-  
7 ing or deferring, as applicable, each application sub-  
8 mitted under section 4(a)(2), including the applica-  
9 ble annual RECOMPETE grant amount limitation  
10 established by the Secretary under subparagraph  
11 (C)(i)(II) of that section, if any; and

12 (6) such other details as the Secretary deter-  
13 mines to be appropriate.

14 (f) APPLICABILITY OF PWEDA.—

15 (1) IN GENERAL.—The following sections of the  
16 Public Works and Economic Development Act of  
17 1965 shall apply to this Act (including the RECOM-  
18 PETE grant program):

19 (A) Section 211 (42 U.S.C. 3151).

20 (B) Section 503 (42 U.S.C. 3193).

21 (C) Section 504 (42 U.S.C. 3194).

22 (D) Section 602 (42 U.S.C. 3212).

23 (E) Section 604 (42 U.S.C. 3214).

24 (F) Section 605 (42 U.S.C. 3215).

25 (G) Section 608 (42 U.S.C. 3218).

1 (H) Section 610 (42 U.S.C. 3220).

2 (2) AUTHORITIES AND DUTIES OF SEC-  
3 RETARY.—The Secretary shall have the authorities  
4 and duties provided by the sections of the Public  
5 Works and Economic Development Act of 1965 (42  
6 U.S.C. 3121 et seq.) referred to in paragraph (1) in  
7 administering and enforcing this Act (including the  
8 RECOMPETE grant program).

9 **SEC. 6. FUNDING.**

10 (a) AUTHORIZATION OF APPROPRIATIONS.—There is  
11 authorized to be appropriated to the Secretary to carry  
12 out this Act \$175,000,000,000 for fiscal year 2022, to re-  
13 main available until expended.

14 (b) ALLOCATION.—

15 (1) IN GENERAL.—Subject to paragraph (2), of  
16 the amounts made available under subsection (a),  
17 the Secretary shall allocate—

18 (A) not less than 70 percent to recipients  
19 acting on behalf of local labor markets or par-  
20 tial local labor markets;

21 (B) not more than 20 percent to recipients  
22 acting on behalf of local communities; and

23 (C) not less than 10 percent to eligible  
24 Tribal governments.

1           (2) TREATMENT OF CERTAIN AMOUNTS.—The  
2           amounts allocated pursuant to paragraphs (5) and  
3           (6)(B) of subsection (c) shall not be taken into con-  
4           sideration for purposes of calculations under para-  
5           graph (1).

6           (3) ADMINISTRATIVE COSTS AND PER-  
7           SONNEL.—

8           (A) IN GENERAL.—Of any amounts made  
9           available to carry out this Act, the Secretary  
10          shall transfer not less than 1 percent to the  
11          Salary and Expenses Account of the Secretary  
12          for the costs of administration and oversight of  
13          this Act.

14          (B) PERSONNEL.—The Secretary may—

15               (i) appoint and fix the compensation  
16               of such temporary personnel as may be  
17               necessary to carry out this Act; and

18               (ii) effective beginning on the date on  
19               which an individual appointed under clause  
20               (i) has served continuously in that appoint-  
21               ment for 2 years, appoint the individual to  
22               a position in the Economic Development  
23               Administration in the same manner in  
24               which competitive service employees with  
25               competitive status are considered for trans-

1           fer, reassignment, or promotion to such a  
2           position, at which time the individual shall  
3           become a career-conditional employee, un-  
4           less the individual has completed the serv-  
5           ice requirements for career tenure.

6       (c) GRANT FORMULAS.—

7           (1) IN GENERAL.—Subject to subsection (e),  
8           based on the information relating to projected costs  
9           contained in applicable RECOMPETE plans under  
10          subparagraph (C) of section 4(b)(2), and the jus-  
11          tifications described in subparagraph (D) of that  
12          section, the amount of a RECOMPETE grant pro-  
13          vided to a recipient shall be determined in accord-  
14          ance with this subsection.

15          (2) LOCAL LABOR MARKETS.—An eligible local  
16          labor market may receive not more than the amount  
17          equal to the product obtained by multiplying—

18                (A) the prime-age employment gap of the  
19                local labor market;

20                (B) the prime-age population of the local  
21                labor market; and

22                (C) \$70,585.

23          (3) LOCAL COMMUNITIES.—Subject to para-  
24          graph (6), an eligible local community may receive

1 not more than the amount equal to the product ob-  
2 tained by multiplying—

3 (A) the prime-age employment gap of the  
4 local community;

5 (B) the prime-age population of the local  
6 community; and

7 (C) \$53,600.

8 (4) PARTIAL LOCAL LABOR MARKETS.—An eli-  
9 gible partial local labor market may receive not more  
10 than the amount equal to the product obtained by  
11 multiplying—

12 (A) the population of the partial local labor  
13 market;

14 (B) the lesser of—

15 (i) the prime-age employment gap of  
16 the local labor market within which the  
17 partial local labor market is located; and

18 (ii) the prime-age employment gap of  
19 the partial local labor market; and

20 (C) \$70,585.

21 (5) TRIBAL GOVERNMENTS.—

22 (A) IN GENERAL.—An eligible Tribal gov-  
23 ernment may receive not more than the amount  
24 equal to the product obtained by multiplying,  
25 subject to subparagraph (B)—

1 (i) the prime-age employment gap of  
2 the Tribal government;

3 (ii) the prime-age population of the  
4 Tribal government; and

5 (iii) \$70,585.

6 (B) CALCULATION OF POPULATION.—

7 (i) IN GENERAL.—Subject to clause  
8 (ii), for purposes of subparagraph (A), the  
9 population of a Tribal government shall be  
10 equal to the sum obtained by adding—

11 (I) the product obtained by mul-  
12 tiplying—

13 (aa) the total number of in-  
14 dividuals residing on the Tribal  
15 land of the Tribal government;  
16 and

17 (bb) 0.65; and

18 (II) the product obtained by mul-  
19 tiplying—

20 (aa) the total number of in-  
21 dividuals included on the mem-  
22 bership roll of the Tribal govern-  
23 ment; and

24 (bb) 0.35.

1                   (ii) USE OF DATA.—Each calculation  
2                   under clause (i) shall be determined based  
3                   on data provided by the applicable Tribal  
4                   government to the Department of the  
5                   Treasury under the Coronavirus State and  
6                   Local Fiscal Recovery Fund programs  
7                   under title VI of the Social Security Act  
8                   (42 U.S.C. 801 et seq.) (as amended by  
9                   subtitle M of title IX of the American Res-  
10                  cue Plan Act of 2021 (Public Law 117–2;  
11                  135 Stat. 4)).

12               (6) LOCAL COMMUNITIES WITH COOPERATION  
13               AGREEMENTS.—If an eligible local community elects  
14               to enter into a cooperation agreement under section  
15               3(b)(2)(A) with 1 or more local communities that  
16               are not eligible—

17                   (A) each eligible local community that is a  
18                   party to the cooperation agreement may receive  
19                   the maximum amount available to the eligible  
20                   local community, as determined under para-  
21                   graph (3); and

22                   (B) the Secretary may award to the lead  
23                   entity an additional amount equal to not more  
24                   than 10 percent of the total amount provided  
25                   under subparagraph (A), for distribution by the

1           lead entity to any local community or other ap-  
 2           plicant that is a party to the cooperation agree-  
 3           ment, regardless of whether the local commu-  
 4           nity or other applicant is eligible, for use in ac-  
 5           cordance with the applicable RECOMPETE  
 6           plan.

7           (d) OBLIGATION AND DISBURSEMENT OF FUNDS.—

8           (1) IN GENERAL.—On approval by the Sec-  
 9           retary of an application under section 4(a)(2)(E),  
 10          the Secretary shall—

11                 (A) obligate the entire amount of the RE-  
 12           COMPETE grant for the applicable recipient;  
 13           and

14                 (B) disburse that amount to the recipient  
 15           annually for each of the 10 fiscal years begin-  
 16           ning after the date of obligation, in accordance  
 17           with this subsection.

18           (2) PROPOSALS.—To receive an annual dis-  
 19           bursement under paragraph (1), a recipient shall  
 20           submit to the Secretary a proposal describing the in-  
 21           tended use by the recipient of the disbursement dur-  
 22           ing the applicable fiscal year (including the pro-  
 23           grams and activities proposed to be carried out and  
 24           any subcontractor or vendor proposed to be used for

1       those purposes), in accordance with the RECOM-  
2       PETE plan of the recipient.

3           (3) PROVISION OF FUNDING.—On approval by  
4       the Secretary of a proposal submitted by a recipient  
5       under paragraph (2), the Secretary shall disburse to  
6       the recipient the amount of the RECOMPETE  
7       grant due to the recipient for the fiscal year, for use  
8       in accordance with—

9           (A) the proposal; and

10          (B) the RECOMPETE plan of the recipi-  
11       ent.

12       (e) COST SHARING.—

13           (1) FEDERAL SHARE.—

14           (A) IN GENERAL.—The Federal share of  
15       the cost of each program and activity carried  
16       out using a RECOMPETE grant shall be the  
17       cost share described in subparagraph (B) for  
18       the applicable recipient, subject to subpara-  
19       graph (C) and paragraphs (2) through (4).

20           (B) DESCRIPTIONS OF COST SHARES.—

21           (i) LOCAL LABOR MARKETS.—For an  
22       eligible local labor market, the cost share  
23       referred to in subparagraph (A) shall be—

1 (I) 50 percent for an eligible  
 2 local labor market with a prime-age  
 3 employment gap equal to—  
 4 (aa) not less than 2.5 per-  
 5 cent; but  
 6 (bb) less than 3 percent; and  
 7 (II) an additional 6.25 percent  
 8 for each prime-age employment gap  
 9 percentage point of 3 percent or more,  
 10 as determined in accordance with the  
 11 following table:

| Local labor market prime-age employment gap | Federal share |
|---------------------------------------------|---------------|
| 3 percent to less than 4 percent .....      | 56.25 percent |
| 4 percent to less than 5 percent .....      | 62.5 percent  |
| 5 percent to less than 6 percent .....      | 68.75 percent |
| 6 percent to less than 7 percent .....      | 75 percent    |
| 7 percent to less than 8 percent .....      | 81.25 percent |
| 8 percent to less than 9 percent .....      | 87.5 percent  |
| 9 percent to less than 10 percent .....     | 93.75 percent |
| 10 percent or greater .....                 | 100 percent.  |

12 (ii) LOCAL COMMUNITIES.—For an el-  
 13 igible local community, the cost share re-  
 14 ferred to in subparagraph (A) shall be—  
 15 (I) 68.75 percent for an eligible  
 16 local community with a prime-age em-  
 17 ployment gap equal to—

1 (aa) not less than 5 percent;  
 2 but  
 3 (bb) less than 6 percent; and  
 4 (II) an additional 6.25 percent  
 5 for each prime-age employment gap  
 6 percentage point of 6 percent or more,  
 7 up to 100 percent, as determined in  
 8 accordance with the following table:

| Local community prime-age employment gap | Federal share |
|------------------------------------------|---------------|
| 6 percent to less than 7 percent .....   | 75 percent    |
| 7 percent to less than 8 percent .....   | 81.25 percent |
| 8 percent to less than 9 percent .....   | 87.5 percent  |
| 9 percent to less than 10 percent .....  | 93.75 percent |
| 10 percent or greater .....              | 100 percent.  |

9 (iii) PARTIAL LOCAL LABOR MAR-  
 10 KETS.—  
 11 (I) IN GENERAL.—Subject to  
 12 subclause (II), for an eligible partial  
 13 local labor market, the cost share re-  
 14 ferred to in subparagraph (A) shall  
 15 be—  
 16 (aa) 50 percent for an eligi-  
 17 ble partial local labor market  
 18 with a prime-age employment  
 19 gap equal to—

1 (AA) not less than 2.5  
2 percent; but  
3 (BB) less than 3 per-  
4 cent; and  
5 (bb) an additional 6.25 per-  
6 cent for each prime-age employ-  
7 ment gap percentage point of 3  
8 percent or more, as determined  
9 in accordance with the following  
10 table:

| Lesser of partial local labor market, and local labor market,<br>prime-age employment gaps | Federal<br>share |
|--------------------------------------------------------------------------------------------|------------------|
| 3 percent to less than 4 percent .....                                                     | 56.25<br>percent |
| 4 percent to less than 5 percent .....                                                     | 62.5<br>percent  |
| 5 percent to less than 6 percent .....                                                     | 68.75<br>percent |
| 6 percent to less than 7 percent .....                                                     | 75 percent       |
| 7 percent to less than 8 percent .....                                                     | 81.25<br>percent |
| 8 percent to less than 9 percent .....                                                     | 87.5<br>percent  |
| 9 percent to less than 10 percent .....                                                    | 93.75<br>percent |
| 10 percent or greater .....                                                                | 100 percent.     |

11 (II) CERTAIN LOCAL LABOR MAR-  
12 KETS.—If an eligible partial local  
13 labor market is located within a local  
14 labor market with a prime-age em-  
15 ployment gap that is less than the  
16 prime-age employment gap of the par-  
17 tial local labor market, the prime-age

1 employment gap of the local labor  
2 market shall be used for purposes of  
3 calculating the Federal share of the  
4 partial local labor market under sub-  
5 clause (I).

6 (iv) TRIBAL GOVERNMENTS.—For an  
7 eligible Tribal government, the cost share  
8 referred to in subparagraph (A) shall be  
9 100 percent.

10 (C) AVAILABLE INCREASES.—

11 (i) RELATIVE NEED.—The Federal  
12 share determined for a recipient under  
13 clause (i), (ii), or (iii) of subparagraph (B)  
14 may be increased, based on the relative  
15 need of each applicable area and recipient  
16 and in accordance with such regulations as  
17 the Secretary may promulgate, to not more  
18 than 80 percent of the total estimated cost  
19 of the programs and activities included in  
20 the RECOMPETE Plan for the applicable  
21 area.

22 (ii) SEVERE ECONOMIC NEED.—The  
23 Federal share determined for a recipient  
24 under subparagraph (B) may be increased  
25 to not more than 100 percent of the total

1           estimated cost of the programs and activi-  
2           ties included in the RECOMPETE Plan  
3           for the applicable area in any case in  
4           which the Secretary determines that the  
5           recipient or a subrecipient has—

6                       (I) exhausted all other reasonable  
7                       financing and funding options; and

8                       (II) demonstrated severe eco-  
9                       nomic need.

10       (2) SPECIAL RULE.—

11           (A) IN GENERAL.—Except as provided in  
12           subparagraph (B), the Federal share calculated  
13           for an eligible local community under paragraph  
14           (1) shall not be reduced due to an election by  
15           the eligible local community to enter into a co-  
16           operation agreement under section 3(b)(2)(A).

17           (B) EXCEPTION.—If additional amounts  
18           are provided for an eligible local community for  
19           distribution to subrecipients under section  
20           3(b)(2)(A)(iii), the Federal share calculated  
21           under paragraph (1) for the eligible local com-  
22           munity shall be not more than 50 percent, sub-  
23           ject to any increase in accordance with clause  
24           (i) or (ii) of paragraph (1)(C), as applicable.

1           (3) NON-FEDERAL CONTRIBUTIONS.—In calcu-  
2       lating the non-Federal share of the cost of a pro-  
3       gram or activity carried out under a RECOMPETE  
4       plan, the Secretary may provide a credit toward the  
5       non-Federal share for any non-Federal contribution  
6       to the program or activity—

7           (A) in cash or in-kind;  
8           (B) fairly evaluated; and  
9           (C) including any contribution of space,  
10       equipment, assumption of debt, or service.

11       (4) REASSESSMENT.—

12           (A) IN GENERAL.—The Federal share and  
13       non-Federal share determined for a recipient  
14       under paragraphs (1) and (2) shall apply dur-  
15       ing the period beginning on the date of enact-  
16       ment of this Act and ending on the date on  
17       which the initial benchmark evaluation relating  
18       to the recipient is conducted under section 5(a).

19           (B) PERIODIC REEVALUATION.—As soon  
20       as practicable after the date on which each  
21       benchmark evaluation relating to a recipient is  
22       conducted under section 5(a), the Secretary  
23       shall—

1 (i) reevaluate the Federal share and  
2 non-Federal share determined for the re-  
3 cipient under this subsection; and

4 (ii) determine whether such a cost  
5 share should be adjusted, subject to sub-  
6 paragraph (C).

7 (C) LIMITATION ON FEDERAL SHARE.—  
8 The Federal share determined for a recipient  
9 under this subsection—

10 (i) shall not be decreased by more  
11 than—

12 (I) 10 percent, as compared to  
13 the Federal share determined for the  
14 recipient under this subsection for the  
15 preceding period; or

16 (II) 30 percent, in total; and

17 (ii) shall be not less than 50 percent.

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