

117TH CONGRESS
1ST SESSION

S. 2464

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.

IN THE SENATE OF THE UNITED STATES

JULY 22, 2021

Mr. COONS (for himself, Mr. BENNET, Ms. KLOBUCHAR, and Ms. ROSEN) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

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.

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 to Excel Act”
 6 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

20 (ii) does not include any Tribal land
 21 in the geographical area described in
 22 clause (i)(I), unless the Tribal government
 23 with jurisdiction over the Tribal land elects
 24 to participate in an applicable cooperation
 25 agreement under section 3(b)(2)(B); and

1 (B) with respect to a Tribal government,
2 means the Tribal land subject to the jurisdic-
3 tion of the Tribal government.

4 (2) APPLICANT.—The term “applicant”
5 means—

6 (A) a unit of general local government,
7 such as a county or a county equivalent (includ-
8 ing a borough in the State of Alaska and a par-
9 ish in the State of Louisiana), city, town, vil-
10 lage, or other general-purpose political subdivi-
11 sion of a State;

12 (B) the District of Columbia;

13 (C) a territory or possession of the United
14 States;

15 (D) a Tribal government;

16 (E) a State-authorized political subdivision
17 or other entity, such as a special-purpose entity
18 engaged in economic development activities;

19 (F) a public or private nonprofit organiza-
20 tion, acting in cooperation with the officials of
21 a political subdivision or entity described in
22 subparagraph (E);

23 (G) an economic development district (as
24 defined in section 3 of the Public Works and

1 Economic Development Act of 1965 (42 U.S.C.
2 3122)); and

3 (H) a consortium of units of general local
4 government within an applicable area.

5 (3) COOPERATION AGREEMENT.—The term
6 “cooperation agreement” means an agreement en-
7 tered into under section 3(b) relating to the imple-
8 mentation of a RECOMPETE plan for an applicable
9 area.

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

11 (A) with respect to a local labor market,
12 local community, partial local labor market, or
13 Tribal government, that the local labor market,
14 local community, partial local labor market, or
15 Tribal government meets the applicable distress
16 eligibility criteria described in section 3(a); and

17 (B) with respect to an applicant or lead
18 entity, that the applicant or lead entity has sub-
19 mitted an application for a RECOMPETE
20 grant under section 4(a)(2) relating to a local
21 labor market, local community, partial local
22 labor market, or Tribal government described in
23 subparagraph (A).

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

4 (6) LOCAL COMMUNITY.—

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

8 (i)(I) is located within a local labor
 9 market or partial local labor market that is
 10 not eligible; or

11 (II) is not coexistent with a local labor
 12 market; and

13 (ii) meets such additional criteria, in-
 14 cluding a minimum population require-
 15 ment, as the Secretary may establish.

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

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

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

23 (7) LOCAL LABOR MARKET.—The term “local
 24 labor market” means any of the following areas that

1 contains 1 or more applicants described in subpara-
 2 graphs (A) through (C) of paragraph (2):

3 (A) A commuting zone, as defined by the
 4 Economic Research Service of the Department
 5 of Agriculture.

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

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

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

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

3 (B) contains 1 or more applicants de-
 4 scribed in subparagraphs (A) through (C) of
 5 paragraph (2).

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

9 (10) PRIME-AGE EMPLOYMENT GAP.—

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

15 (i) the national 5-year average prime-
 16 age employment rate; and

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

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

1 (11) PRIME-AGE EMPLOYMENT RATE.—

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

7 (i) the 5-year average quantity of the
8 prime-age population of the applicable area
9 that is employed; by

10 (ii) the total prime-age population of
11 the applicable area.

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

19 (12) RECIPIENT.—The term “recipient” means,
20 as applicable—

21 (A) an applicant to which a RECOMPETE
22 grant is provided; or

23 (B) a lead entity designated pursuant to a
24 cooperation agreement entered into under sec-

1 tion 3(b) for an applicable area for which a RE-
2 COMPETE grant is provided.

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

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

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

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

15 (A) is not a recipient; but

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

20 (17) TRIBAL GOVERNMENT.—The term “Tribal
21 government” means the recognized governing body
22 of any Indian or Alaska Native tribe, band, nation,
23 pueblo, village, community, component band, or com-
24 ponent reservation, individually identified (including
25 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 rancharia; and

(B) any land not located within the boundaries of an Indian reservation, pueblo, or rancharia, 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 Federal law; or

(iii) by a dependent Indian community.

SEC. 3. DISTRESS ELIGIBILITY CRITERIA AND COOPERATION AGREEMENTS.

(a) DISTRESS ELIGIBILITY.—

(1) CRITERIA.—To be eligible for a RECOMPETE grant, a local labor market, local community, partial local labor market, or Tribal government

1 shall meet the following criteria, as applicable, as de-
 2 termined by the Secretary:

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

6 (B) LOCAL COMMUNITIES.—A local com-
 7 munity shall—

8 (i) meet the applicable requirements
 9 described in section 2(6); and

10 (ii) have—

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

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

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

17 (AA) a recent decrease in
 18 the applicable prime-age employ-
 19 ment rate; or

20 (BB) another severe eco-
 21 nomic disruption that is likely to
 22 reduce the applicable prime-age
 23 employment rate.

24 (C) PARTIAL LOCAL LABOR MARKETS.—A
 25 partial local labor market shall—

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

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

5 (D) TRIBAL GOVERNMENTS.—

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

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

17 (2) LIMITATIONS.—

18 (A) APPLICABLE AREAS.—A local labor
19 market, local community, partial local labor
20 market, or Tribal government shall not be eligi-
21 ble to receive more than 1 RECOMPETE
22 grant.

23 (B) APPLICANTS.—For purposes of the
24 RECOMPETE grant program, an applicant
25 may not be considered to be located in, or sub-

1 mit an application under section 4(a)(2) on be-
 2 half of, more than 1 eligible local labor market,
 3 local community, partial local labor market, or
 4 Tribal government.

5 (b) COOPERATION AGREEMENTS.—

6 (1) REQUIREMENT.—

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

13 (i) enter into a legally binding co-
 14 operation agreement for the applicable
 15 area in accordance with subparagraph (C);
 16 and

17 (ii) designate 1 applicant as the lead
 18 entity to act in a representative capacity
 19 for purposes of assuming overall responsi-
 20 bility for carrying out the programs and
 21 activities, and achieving compliance with
 22 the applicable requirements, under the RE-
 23 COMPETE grant.

24 (B) PARTICIPATION BY OTHER APPLI-
 25 CANTS.—An applicant described in subpara-

graph (E), (F), or (G) of section 2(2) that is located in an applicable area for which a cooperation agreement is entered into under subparagraph (A) may elect to join the cooperation agreement, at the discretion of the applicant.

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

(i) a written statement that—

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

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

(aa) the cooperation agreement; and

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

(ii) a process for redress of any action, or failure to act, by the lead entity that is detrimental to an applicant.

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

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

1 (A) LOCAL COMMUNITIES.—

2 (i) IN GENERAL.—A local community
3 may enter into a cooperation agreement
4 described in paragraph (1) with any other
5 local communities located within the same
6 local labor market, subject to the condition
7 that 1 or more of those local communities
8 shall be an eligible local community.

9 (ii) PARTIES.—A cooperation agree-
10 ment under clause (i) may be executed be-
11 tween or among—

12 (I) an eligible local community;

13 and

14 (II) 1 or more—

15 (aa) other eligible local com-
16 munities, or applicants within an
17 eligible local community, located
18 within the same local labor mar-
19 ket; or

20 (bb) applicants that are not
21 located within an eligible local
22 community, but are located with-
23 in the same local labor market as
24 an eligible local community.

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

10 (B) TRIBAL GOVERNMENTS.—

11 (i) IN GENERAL.—Regardless of
12 whether the Tribal government is eligible,
13 subject to clause (ii), a Tribal government
14 may elect to enter into a cooperation
15 agreement described in paragraph (1) with
16 1 or more applicants from an eligible local
17 labor market, local community, or partial
18 local labor market that is adjacent to the
19 Tribal land of the Tribal government.

20 (ii) DEADLINE.—An election by a
21 Tribal government under clause (i) shall be
22 made by not later than 45 days after the
23 first date of the application period estab-
24 lished for the Tribal government under
25 section 4(a)(2)(B).

1 (iii) TREATMENT.—If a Tribal gov-
 2 ernment elects to enter into a cooperation
 3 agreement under clause (i)—

4 (I) the Tribal land of the Tribal
 5 government shall be—

6 (aa) considered to be in-
 7 cluded in the applicable area of
 8 the eligible local labor market,
 9 local community, or partial local
 10 labor market that is the subject
 11 of the cooperation agreement;
 12 and

13 (bb) subject to the RECOM-
 14 PETE plan for the applicable
 15 area described in item (aa); and

16 (II) the amount of the RECOM-
 17 PETE grant to which the Tribal gov-
 18 ernment is otherwise eligible to re-
 19 ceive, if applicable—

20 (aa) shall not be decreased;
 21 and

22 (bb) shall be added to the
 23 amount provided to the applica-
 24 ble lead entity for use in accord-

1 ance with the RECOMPETE
2 plan.

3 (iv) ENCOURAGEMENT TO COLLABO-
4 RATE.—To the maximum extent prac-
5 ticable, the Secretary shall encourage Trib-
6 al governments to enter into cooperation
7 agreements described in clause (i).

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

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

14 (II) penalizes a Tribal govern-
15 ment that does not elect to participate
16 in a cooperation agreement; or

17 (III) otherwise affects the
18 amount of a RECOMPETE grant to
19 be provided to any Tribal government.

20 (3) WAIVERS.—

21 (A) IN GENERAL.—The Secretary may
22 waive the requirement under paragraph (1)
23 with respect to an applicant acting on behalf of
24 a partial local labor market that—

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

3 (ii) is located within an eligible local
 4 labor market with respect to which a co-
 5 operation agreement is unable to be exe-
 6 cuted under paragraph (1), despite reason-
 7 able efforts; and

8 (iii) submits to the Secretary a re-
 9 quest for a waiver under this paragraph
 10 demonstrating the ability to carry out the
 11 programs and activities, and achieve com-
 12 pliance with the applicable requirements,
 13 under sections 4 and 5 in the applicable
 14 area.

15 (B) EFFECT.—On receipt of a waiver
 16 under subparagraph (A), a partial local labor
 17 market—

18 (i) shall be eligible to receive a RE-
 19 COMPETE grant; and

20 (ii) may elect to carry out the pro-
 21 grams and activities, and achieve compli-
 22 ance with the applicable requirements, in
 23 the applicable area under the RECOM-
 24 PETE grant—

25 (I) independently; or

1 (II) by designating from among
2 applicants located within the applica-
3 ble area a lead entity pursuant to a
4 cooperation agreement described in
5 paragraph (1), which shall submit to
6 the Secretary a written notice in ac-
7 cordance with paragraph (4).

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

12 (A) describes—

- 13 (i) the cooperation agreement;
14 (ii) the date of execution of the co-
15 operation agreement;
16 (iii) the authorization of the lead enti-
17 ty under the cooperation agreement; and
18 (iv) the formation of a consortium de-
19 scribed in section 2(2)(H) under the co-
20 operation agreement, if applicable; and

21 (B) includes—

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

- 1 (ii) any necessary certifications or
 2 other documentation relating to the co-
 3 operation agreement.

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

5 (a) ESTABLISHMENT.—

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

13 (A) create quality jobs;

14 (B) provide resources to help local resi-
 15 dents—

16 (i) access opportunities; and

17 (ii) attain and retain employment;

18 (C) increase local per capita income and
 19 prime-age employment rates; and

20 (D) support long-term, sustained economic
 21 growth and opportunity in persistently dis-
 22 tressed areas.

23 (2) APPLICATIONS.—

24 (A) IN GENERAL.—To be considered for
 25 the provision of a RECOMPETE grant, an eli-

gible applicant or lead entity shall submit to the Secretary an application—

(i) at such time, in such manner, and containing such information as the Secretary determines to be appropriate; and

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

(B) APPLICATION WINDOWS.—In carrying out the RECOMPETE grant program, the Secretary shall establish the periods during which applications may be submitted under subparagraph (A), subject to the conditions that—

(i) the initial application period established under this subparagraph shall be not less than 3 years; and

(ii) for the second application period under this subparagraph and each period thereafter, the Secretary may, as the Secretary determines to be appropriate—

(I) extend the period;

(II) accept late applications;

(III) initiate a new application cycle; and

1 (IV) establish additional rules
2 and regulations under this subsection.

3 (C) LIMITATIONS.—

4 (i) IN GENERAL.—Subject to clause
5 (ii), the Secretary may establish a limita-
6 tion on—

7 (I) the number of applications to
8 be accepted by the Secretary during
9 each fiscal year from each type of ap-
10 plicant; and

11 (II) the total amount of each
12 RECOMPETE grant payment pro-
13 vided for each fiscal year.

14 (ii) REQUIREMENTS.—In establishing
15 any limitation under clause (i), the Sec-
16 retary shall ensure that—

17 (I) each applicant and lead entity
18 that submits to the Secretary an ap-
19 plication satisfactory to the Secretary
20 for an application period established
21 under subparagraph (B) shall be con-
22 sidered for receipt of a RECOMPETE
23 grant during that application period;
24 and

25 (II) the Secretary is able—

1 (aa) to review applications
 2 and provide technical assistance
 3 and expertise to applicants in the
 4 development and implementation
 5 of RECOMPETE plans; and

6 (bb) to conduct benchmark
 7 evaluations and meet applicable
 8 reporting requirements in accord-
 9 ance with section 5.

10 (D) PRIORITY.—In selecting recipients of
 11 RECOMPETE grants, the Secretary shall give
 12 priority consideration to severely distressed, eli-
 13 gible—

14 (i) local labor markets; and

15 (ii) Tribal governments.

16 (E) APPROVAL.—The Secretary shall ap-
 17 prove or disapprove each application submitted
 18 under this paragraph (including the RECOM-
 19 PETE plan included in the application) as soon
 20 as practicable after the date of receipt of the
 21 application.

22 (3) TERM.—A RECOMPETE grant shall—

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

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

1 (b) RECOMPETE PLANS.—

2 (1) IN GENERAL.—As a condition of receipt of
3 a RECOMPETE grant, the application of an appli-
4 cant or lead entity under subsection (a)(2) shall in-
5 clude a RECOMPETE plan for the applicable area
6 served by the applicant or lead entity in accordance
7 with this subsection.

8 (2) REQUIREMENTS.—A RECOMPETE plan
9 shall include the following information with respect
10 to the applicable area:

11 (A) An identification of—

12 (i) each economic development chal-
13 lenge proposed to be addressed using a
14 RECOMPETE grant; and

15 (ii) any past, present, or projected fu-
16 ture economic development investments in
17 the applicable area, including, with respect
18 to the investment—

19 (I) each public and private par-
20 ticipant; and

21 (II) each source of funding.

22 (B) A comprehensive strategy, for the 10-
23 year period beginning on the proposed date of
24 receipt of a RECOMPETE grant, to address
25 the economic challenges identified under sub-

paragraph (A)(i), in accordance with subsection
(d), in a manner that—

(i) promotes long-term, sustained economic growth, opportunity, job creation, employment, and increased per capita income;

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

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

(iv) maximizes the effective development and use of the local workforce; and

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

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

(D) The total amount of the RECOMPETE grant requested, and the justification for that amount.

(E) The roles and responsibilities of each recipient and subrecipient carrying out an activity under the RECOMPETE plan.

1 (F) The proposed allocation by the recipi-
 2 ent to subrecipients of any RECOMPETE
 3 grant amounts.

4 (G) An identification of certain benchmark
 5 criteria for use in benchmark evaluations under
 6 section 5(a), including reducing the prime-age
 7 employment gap of the applicable area by cer-
 8 tain percentages at periodic intervals, with the
 9 goals of—

10 (i) reducing the prime-age employ-
 11 ment gap by not less than 50 percent on
 12 completion of the term of the RECOM-
 13 PETE grant provided to the recipient; and

14 (ii) achieving compliance with such
 15 other criteria as the Secretary may estab-
 16 lish.

17 (3) OPTIONAL INCLUSIONS.—A RECOMPETE
 18 plan may include strategies—

19 (A) to address inequality in the applicable
 20 area, such as inequality with respect to income,
 21 opportunity, or employment on the basis of
 22 race, gender, religion, or sexual orientation;

23 (B) to support business development and
 24 entrepreneurship; and

1 (C) to support innovation and businesses,
 2 job creation, and workforce development in in-
 3 dustries expected to continue or increase in
 4 force in the applicable area.

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

9 (A) developed in accordance with that co-
 10 operation agreement; and

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

13 (5) INTEGRATION WITH COMPREHENSIVE ECO-
 14 NOMIC DEVELOPMENT STRATEGY.—If an applicable
 15 area is subject to a comprehensive economic develop-
 16 ment strategy approved by the Secretary under sec-
 17 tion 302 of the Public Works and Economic Devel-
 18 opment Act of 1965 (42 U.S.C. 3162), the RECOM-
 19 PETE plan for the applicable area—

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

22 (B) may be developed and included as a
 23 supplemental portion of that strategy, rather
 24 than as an independent plan.

1 (6) APPROVAL BY SECRETARY.—The Secretary
 2 shall approve a RECOMPETE plan that the Sec-
 3 retary determines meets the applicable requirements
 4 of this subsection.

5 (c) PLANNING AND TECHNICAL ASSISTANCE.—

6 (1) PLANNING ASSISTANCE.—

7 (A) IN GENERAL.—For purposes of assist-
 8 ing a recipient in developing a RECOMPETE
 9 plan, the Secretary may make an advance pay-
 10 ment of a RECOMPETE grant in accordance
 11 with subparagraph (B), if the Secretary deter-
 12 mines that—

13 (i) the recipient requires such an ad-
 14 vance; and

15 (ii) the advance will be used—

16 (I) effectively; and

17 (II) for planning purposes.

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

21 (i) an amount equal to 5 percent of
 22 the maximum RECOMPETE grant
 23 amount to be provided to the applicable re-
 24 cipient; and

25 (ii) \$300,000.

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

4 (2) TECHNICAL ASSISTANCE.—The Secretary
 5 shall provide technical assistance, if necessary, in
 6 each applicable area relating to—

7 (A) the development of a RECOMPETE
 8 plan that meets the applicable requirements of
 9 this subsection with respect to the applicable
 10 area; and

11 (B) implementation of the programs and
 12 activities included in the RECOMPETE plan
 13 for the applicable area.

14 (d) USE OF FUNDS.—

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

20 (A) the provision of business advice and
 21 assistance to small and medium-sized local busi-
 22 nesses and entrepreneurs, including—

23 (i) manufacturing extension services;
 24 (ii) small business development cen-
 25 ters;

1 (iii) centers to help businesses bid for
 2 Federal procurement contracts;

3 (iv) entrepreneurial assistance pro-
 4 grams that link entrepreneurs with avail-
 5 able public and private resources;

6 (v) legal advice and resources; and

7 (vi) assistance in accessing capital;

8 (B) land and site development programs,
 9 such as brownfield redevelopment, research and
 10 technology parks, business incubators, business
 11 corridor development, and Main Street redevel-
 12 opment programs;

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

16 (i) improvements to transit, roads,
 17 and broadband access;

18 (ii) affordable housing development;

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

20 (iv) transit-oriented development ac-
 21 tivities;

22 (D) job training oriented to local employer
 23 needs, such as customized job training pro-
 24 grams carried out by local community colleges
 25 in partnership with local businesses;

1 (E) workforce outreach programs, such
2 as—

3 (i) programs located in, and targeted
4 to, lower-income and underemployed neigh-
5 borhoods; and

6 (ii) embedding job placement and
7 training services in neighborhood institu-
8 tions such as churches, housing projects,
9 and community advocacy programs;

10 (F) job retention programs and activities,
11 such as the provision of—

12 (i) job coaches, including at locations
13 of employment;

14 (ii) child care services, including sub-
15 sidizing the construction, operation, main-
16 tenance, and labor costs of child care cen-
17 ters; and

18 (iii) transportation support, such as
19 support for vehicle repairs to assist in the
20 transit of workers to jobs; and

21 (G) such other programs and activities as
22 the Secretary determines to be appropriate, in-
23 cluding any proposed programs or activities
24 that the recipient demonstrates clearly and sub-
25 stantially, to the satisfaction of the Secretary,

1 will directly advance the goals of the RECOM-
 2 PETE grant program.

3 (2) METHOD.—In carrying out programs and
 4 activities described in paragraph (1), a recipient or
 5 subrecipient may—

6 (A) use amounts provided under a RE-
 7 COMPETE grant to carry out such a program
 8 or activity directly; or

9 (B) enter into a contract or other agree-
 10 ment with a subcontractor or vendor (including
 11 nongovernmental, nonprofit organizations and
 12 for-profit entities) to carry out such a program
 13 or activity.

14 (3) OUTSIDE PROGRAMS AND ACTIVITIES.—A
 15 recipient acting on behalf of an eligible local commu-
 16 nity that enters into a cooperation agreement under
 17 section 3(b)(2)(A)(ii)(II) with a local community
 18 that is not eligible, but is located within the same
 19 local labor market, may use amounts provided under
 20 a RECOMPETE grant to carry out a program or
 21 activity described in paragraph (1) in the ineligible
 22 local community, if the program or activity would
 23 provide a benefit to residents of the eligible local
 24 community.

25 (e) REGIONAL COMMISSIONS.—

1 (1) DEFINITION OF REGIONAL COMMISSION.—

2 In this subsection, the term “Regional Commission”
3 means—

4 (A) any of the Regional Commissions (as
5 defined in section 3 of the Public Works and
6 Economic Development Act of 1965 (42 U.S.C.
7 3122));

8 (B) the Northern Border Regional Com-
9 mission;

10 (C) the Southeast Crescent Regional Com-
11 mission;

12 (D) the Southwest Border Regional Com-
13 mission; and

14 (E) any other regional commission estab-
15 lished under Federal law, subject to the ap-
16 proval of the Secretary.

17 (2) TECHNICAL ASSISTANCE AND SUPPORT.—If
18 an applicant (or any portion of the service area of
19 an applicant) is located in a region covered by a Re-
20 gional Commission, the Regional Commission is en-
21 couraged to provide technical assistance and other
22 support relating to applying for a RECOMPETE
23 grant and developing and carrying out a RECOM-
24 PETE plan to—

25 (A) the applicant;

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

2 (C) any other relevant entities.

3 (3) ACTION BY SECRETARY.—The Secretary
4 shall—

5 (A) encourage each recipient to coordinate
6 the implementation of a RECOMPETE plan
7 with the activities of each Regional Commission
8 serving the region in which the applicable area
9 is located; and

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

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

14 (a) BENCHMARK EVALUATIONS.—

15 (1) IN GENERAL.—The Secretary shall establish
16 a process under which the Secretary shall conduct
17 periodic benchmark evaluations of each recipient to
18 ensure that the recipient successfully carries out the
19 programs and activities described in the RECOM-
20 PETE plan of the recipient.

21 (2) TIMING.—The Secretary shall conduct a
22 benchmark evaluation of a recipient under this sub-
23 section—

24 (A) for a recipient of a RECOMPETE
25 grant provided during the initial application pe-

1 riod under section 4(a)(2)(B)(i), by not later
 2 than 3 years after the date of the initial award
 3 of the RECOMPETE grant; and

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

7 (3) CRITERIA.—In conducting a benchmark
 8 evaluation of a recipient under this subsection, the
 9 Secretary shall determine whether the recipient
 10 has—

11 (A) adhered to the timelines and require-
 12 ments of the programs and activities identified
 13 in the RECOMPETE plan of the recipient;

14 (B) made sufficient progress toward
 15 achieving the benchmarks and objectives de-
 16 scribed in that RECOMPETE plan;

17 (C) increased the overall employment rate,
 18 the prime-age employment rate, median house-
 19 hold income, and per capita income in the ap-
 20 plicable area; and

21 (D) achieved compliance with such other
 22 criteria as the Secretary determines to be rel-
 23 evant.

24 (b) MODIFICATION OF PLANS.—

(1) REQUIREMENT FOR RECIPIENTS.—A recipient shall modify the RECOMPETE plan of the recipient, or any program or activity conducted under that RECOMPETE plan, if the Secretary—

(A) determines that—

(i) such a program or activity is ineffective or underperforming; or

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

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

or

(II) funds have been misused;

and

(B) directs the recipient to modify the RECOMPETE plan, program, or activity.

(2) AUTHORITY OF SECRETARY.—

(A) ADJUSTMENTS AND INCREASES IN FUNDING.—The Secretary may increase the amount of the RECOMPETE grant provided to the recipient as the Secretary determines to be appropriate, taking into consideration any modifications made to the RECOMPETE plan under paragraph (1), in an amount equal to not more than the maximum amount available on

the date of approval of the RECOMPETE grant application for the applicable area and subject to the availability of funds, if the Secretary determines that—

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

(I) altered applicable project circumstances; or

(II) prevented the recipient from meeting the objectives and benchmarks of the RECOMPETE plan; or

(ii) a labor market, economic, business, or technology shift, or any other major factor, warrants such a modification and increase in funding.

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

(i) after a reasonable effort, an agreement cannot be reached with respect to a modification to a RECOMPETE plan recommended or required by the Secretary under this subsection; or

1 (ii)(I) a gross, intentional misuse of
 2 RECOMPETE grant funds (including any
 3 activity subject to a penalty under section
 4 605 of the Public Works and Economic
 5 Development Act of 1965 (42 U.S.C.
 6 3215)) has occurred; and

7 (II) the individual or entity respon-
 8 sible for the misuse is not removed from all
 9 programs and activities carried out under
 10 the RECOMPETE plan.

11 (c) RECIPIENT REPORTING REQUIREMENTS.—Each
 12 recipient shall be subject to—

13 (1) the grant reporting requirements under part
 14 200 of title 2, Code of Federal Regulations (or suc-
 15 cessor regulations); and

16 (2) such additional, clear, annual reporting re-
 17 quirements as the Secretary may establish to gather
 18 any information necessary to conduct the benchmark
 19 and final evaluations under this section.

20 (d) FINAL EVALUATION.—

21 (1) IN GENERAL.—Not later than 1 year after
 22 the final disbursement of a RECOMPETE grant is
 23 provided to each recipient, the Secretary, in coopera-
 24 tion with the recipient and each applicable sub-
 25 recipient, shall conduct a final evaluation of the suc-

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

3 (2) CRITERIA.—The Secretary shall establish
4 criteria for use in conducting final evaluations under
5 this subsection—

6 (A) in addition to the criteria established
7 under subsection (a)(3); and

8 (B) taking into consideration the goal of
9 reducing the prime-age employment gap of each
10 applicable area by 50 percent.

11 (3) REQUIREMENTS FOR RECIPIENTS.—Each
12 recipient and subrecipient shall—

13 (A) cooperate with the Secretary in con-
14 ducting a final evaluation under this subsection;
15 and

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

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

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

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

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

4 (A) decreasing prime-age employment
 5 gaps; or

6 (B) increasing local per capita income;

7 (3) detailed demographic analyses of—

8 (A) the populations served by recipients;
 9 and

10 (B) relevant labor market statistics;

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

13 (5) an identification of, and reasons for reject-
 14 ing or deferring, as applicable, each application sub-
 15 mitted under section 4(a)(2), including the applica-
 16 ble annual RECOMPETE grant amount limitation
 17 established by the Secretary under subparagraph
 18 (C)(i)(II) of that section, if any; and

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

21 (f) APPLICABILITY OF PWEDA.—

22 (1) IN GENERAL.—The following sections of the
 23 Public Works and Economic Development Act of
 24 1965 shall apply to this Act (including the RECOM-
 25 PETE grant program):

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

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

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

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

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

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

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

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

9 (2) AUTHORITIES AND DUTIES OF SEC-
 10 RETARY.—The Secretary shall have the authorities
 11 and duties provided by the sections of the Public
 12 Works and Economic Development Act of 1965 (42
 13 U.S.C. 3121 et seq.) referred to in paragraph (1) in
 14 administering and enforcing this Act (including the
 15 RECOMPETE grant program).

16 **SEC. 6. FUNDING.**

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

21 (b) ALLOCATION.—

22 (1) IN GENERAL.—Subject to paragraph (2), of
 23 the amounts made available under subsection (a),
 24 the Secretary shall allocate—

1 (A) not less than 70 percent to recipients
 2 acting on behalf of local labor markets or par-
 3 tial local labor markets;

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

6 (C) not less than 10 percent to eligible
 7 Tribal governments.

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

13 (3) ADMINISTRATIVE COSTS AND PER-
 14 SONNEL.—

15 (A) IN GENERAL.—Of any amounts made
 16 available to carry out this Act, the Secretary
 17 shall transfer not less than 1 percent to the
 18 Salary and Expenses Account of the Secretary
 19 for the costs of administration and oversight of
 20 this Act.

21 (B) PERSONNEL.—The Secretary may—
 22 (i) appoint and fix the compensation
 23 of such temporary personnel as may be
 24 necessary to carry out this Act; and

(ii) effective beginning on the date on which an individual appointed under clause (i) has served continuously in that appointment for 2 years, appoint the individual to a position in the Economic Development Administration in the same manner in which competitive service employees with competitive status are considered for transfer, reassignment, or promotion to such a position, at which time the individual shall become a career-conditional employee, unless the individual has completed the service requirements for career tenure.

(c) GRANT FORMULAS.—

(1) IN GENERAL.—Subject to subsection (e), based on the information relating to projected costs contained in applicable RECOMPETE plans under subparagraph (C) of section 4(b)(2), and the justifications described in subparagraph (D) of that section, the amount of a RECOMPETE grant provided to a recipient shall be determined in accordance with this subsection.

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

1 (A) the prime-age employment gap of the
2 local labor market;

3 (B) the prime-age population of the local
4 labor market; and

5 (C) \$70,585.

6 (3) LOCAL COMMUNITIES.—Subject to para-
7 graph (6), an eligible local community may receive
8 not more than the amount equal to the product ob-
9 tained by multiplying—

10 (A) the prime-age employment gap of the
11 local community;

12 (B) the prime-age population of the local
13 community; and

14 (C) \$53,600.

15 (4) PARTIAL LOCAL LABOR MARKETS.—An eli-
16 gible partial local labor market may receive not more
17 than the amount equal to the product obtained by
18 multiplying—

19 (A) the population of the partial local labor
20 market;

21 (B) the lesser of—

22 (i) the prime-age employment gap of
23 the local labor market within which the
24 partial local labor market is located; and

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

3 (C) \$70,585.

4 (5) TRIBAL GOVERNMENTS.—

5 (A) IN GENERAL.—An eligible Tribal gov-
 6 ernment may receive not more than the amount
 7 equal to the product obtained by multiplying,
 8 subject to subparagraph (B)—

9 (i) the prime-age employment gap of
 10 the Tribal government;

11 (ii) the prime-age population of the
 12 Tribal government; and

13 (iii) \$70,585.

14 (B) CALCULATION OF POPULATION.—

15 (i) IN GENERAL.—Subject to clause
 16 (ii), for purposes of subparagraph (A), the
 17 population of a Tribal government shall be
 18 equal to the sum obtained by adding—

19 (I) the product obtained by mul-
 20 tiplying—

21 (aa) the total number of in-
 22 dividuals residing on the Tribal
 23 land of the Tribal government;
 24 and

25 (bb) 0.65; and

1 (II) the product obtained by mul-
 2 tiplying—

3 (aa) the total number of in-
 4 dividuals included on the mem-
 5 bership roll of the Tribal govern-
 6 ment; and

7 (bb) 0.35.

8 (ii) USE OF DATA.—Each calculation
 9 under clause (i) shall be determined based
 10 on data provided by the applicable Tribal
 11 government to the Department of the
 12 Treasury under the Coronavirus State and
 13 Local Fiscal Recovery Fund programs
 14 under title VI of the Social Security Act
 15 (42 U.S.C. 801 et seq.) (as amended by
 16 subtitle M of title IX of the American Res-
 17 cue Plan Act of 2021 (Public Law 117–2;
 18 135 Stat. 4)).

19 (6) LOCAL COMMUNITIES WITH COOPERATION
 20 AGREEMENTS.—If an eligible local community elects
 21 to enter into a cooperation agreement under section
 22 3(b)(2)(A) with 1 or more local communities that
 23 are not eligible—

24 (A) each eligible local community that is a
 25 party to the cooperation agreement may receive

the maximum amount available to the eligible local community, as determined under paragraph (3); and

(B) the Secretary may award to the lead entity an additional amount equal to not more than 10 percent of the total amount provided under subparagraph (A), for distribution by the lead entity to any local community or other applicant that is a party to the cooperation agreement, regardless of whether the local community or other applicant is eligible, for use in accordance with the applicable RECOMPETE plan.

(d) OBLIGATION AND DISBURSEMENT OF FUNDS.—

(1) IN GENERAL.—On approval by the Secretary of an application under section 4(a)(2)(E), the Secretary shall—

(A) obligate the entire amount of the RECOMPETE grant for the applicable recipient; and

(B) disburse that amount to the recipient annually for each of the 10 fiscal years beginning after the date of obligation, in accordance with this subsection.

1 (2) PROPOSALS.—To receive an annual dis-
 2 bursement under paragraph (1), a recipient shall
 3 submit to the Secretary a proposal describing the in-
 4 tended use by the recipient of the disbursement dur-
 5 ing the applicable fiscal year (including the pro-
 6 grams and activities proposed to be carried out and
 7 any subcontractor or vendor proposed to be used for
 8 those purposes), in accordance with the RECOM-
 9 PETE plan of the recipient.

10 (3) PROVISION OF FUNDING.—On approval by
 11 the Secretary of a proposal submitted by a recipient
 12 under paragraph (2), the Secretary shall disburse to
 13 the recipient the amount of the RECOMPETE
 14 grant due to the recipient for the fiscal year, for use
 15 in accordance with—

16 (A) the proposal; and

17 (B) the RECOMPETE plan of the recipi-
 18 ent.

19 (e) COST SHARING.—

20 (1) FEDERAL SHARE.—

21 (A) IN GENERAL.—The Federal share of
 22 the cost of each program and activity carried
 23 out using a RECOMPETE grant shall be the
 24 cost share described in subparagraph (B) for

the applicable recipient, subject to subparagraph (C) and paragraphs (2) through (4).

(B) DESCRIPTIONS OF COST SHARES.—

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

(I) 50 percent for an eligible local labor market with a prime-age employment gap equal to—

(aa) not less than 2.5 per-

cent; but

(bb) less than 3 percent; and

(II) an additional 6.25 percent for each prime-age employment gap percentage point of 3 percent or more, as determined in accordance with the 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.

- 1 (ii) LOCAL COMMUNITIES.—For an el-
 2 ible local community, the cost share re-
 3 ferred to in subparagraph (A) shall be—
- 4 (I) 68.75 percent for an eligible
 5 local community with a prime-age em-
 6 ployment gap equal to—
- 7 (aa) not less than 5 percent;
 8 but
- 9 (bb) less than 6 percent; and
- 10 (II) an additional 6.25 percent
 11 for each prime-age employment gap
 12 percentage point of 6 percent or more,
 13 up to 100 percent, as determined in
 14 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.

- 15 (iii) PARTIAL LOCAL LABOR MAR-
 16 KETS.—
- 17 (I) IN GENERAL.—Subject to
 18 subclause (II), for an eligible partial
 19 local labor market, the cost share re-

ferred to in subparagraph (A) shall
be—

(aa) 50 percent for an eligible partial local labor market with a prime-age employment gap equal to—

(AA) not less than 2.5 percent; but

(BB) less than 3 percent; and

(bb) an additional 6.25 percent for each prime-age employment gap percentage point of 3 percent or more, as determined in accordance with the following table:

Lesser of partial local labor market, and local labor market, prime-age employment gaps	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.

1 (II) CERTAIN LOCAL LABOR MAR-
 2 KETS.—If an eligible partial local
 3 labor market is located within a local
 4 labor market with a prime-age em-
 5 ployment gap that is less than the
 6 prime-age employment gap of the par-
 7 tial local labor market, the prime-age
 8 employment gap of the local labor
 9 market shall be used for purposes of
 10 calculating the Federal share of the
 11 partial local labor market under sub-
 12 clause (I).

13 (iv) TRIBAL GOVERNMENTS.—For an
 14 eligible Tribal government, the cost share
 15 referred to in subparagraph (A) shall be
 16 100 percent.

17 (C) AVAILABLE INCREASES.—

18 (i) RELATIVE NEED.—The Federal
 19 share determined for a recipient under
 20 clause (i), (ii), or (iii) of subparagraph (B)
 21 may be increased, based on the relative
 22 need of each applicable area and recipient
 23 and in accordance with such regulations as
 24 the Secretary may promulgate, to not more
 25 than 80 percent of the total estimated cost

1 of the programs and activities included in
 2 the RECOMPETE Plan for the applicable
 3 area.

4 (ii) SEVERE ECONOMIC NEED.—The
 5 Federal share determined for a recipient
 6 under subparagraph (B) may be increased
 7 to not more than 100 percent of the total
 8 estimated cost of the programs and activi-
 9 ties included in the RECOMPETE Plan
 10 for the applicable area in any case in
 11 which the Secretary determines that the
 12 recipient or a subrecipient has—

13 (I) exhausted all other reasonable
 14 financing and funding options; and

15 (II) demonstrated severe eco-
 16 nomic need.

17 (2) SPECIAL RULE.—

18 (A) IN GENERAL.—Except as provided in
 19 subparagraph (B), the Federal share calculated
 20 for an eligible local community under paragraph
 21 (1) shall not be reduced due to an election by
 22 the eligible local community to enter into a co-
 23 operation agreement under section 3(b)(2)(A).

24 (B) EXCEPTION.—If additional amounts
 25 are provided for an eligible local community for

1 distribution to subrecipients under section
 2 3(b)(2)(A)(iii), the Federal share calculated
 3 under paragraph (1) for the eligible local com-
 4 munity shall be not more than 50 percent, sub-
 5 ject to any increase in accordance with clause
 6 (i) or (ii) of paragraph (1)(C), as applicable.

7 (3) NON-FEDERAL CONTRIBUTIONS.—In calcu-
 8 lating the non-Federal share of the cost of a pro-
 9 gram or activity carried out under a RECOMPETE
 10 plan, the Secretary may provide a credit toward the
 11 non-Federal share for any non-Federal contribution
 12 to the program or activity—

- 13 (A) in cash or in-kind;
- 14 (B) fairly evaluated; and
- 15 (C) including any contribution of space,
 16 equipment, assumption of debt, or service.

17 (4) REASSESSMENT.—

18 (A) IN GENERAL.—The Federal share and
 19 non-Federal share determined for a recipient
 20 under paragraphs (1) and (2) shall apply dur-
 21 ing the period beginning on the date of enact-
 22 ment of this Act and ending on the date on
 23 which the initial benchmark evaluation relating
 24 to the recipient is conducted under section 5(a).

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

(i) reevaluate the Federal share and non-Federal share determined for the recipient under this subsection; and

(ii) determine whether such a cost share should be adjusted, subject to subparagraph (C).

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

(i) shall not be decreased by more than—

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

(II) 30 percent, in total; and

(ii) shall be not less than 50 percent.

○