



(Original Signature of Member)

117TH CONGRESS
1ST SESSION

H. R. _____

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 HOUSE OF REPRESENTATIVES

Mr. KILMER introduced the following bill; which was referred to the
Committee on _____

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 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

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

1 of Indian Affairs on January 29, 2021, pursuant to
2 section 104 of the Federally Recognized Indian
3 Tribe List Act of 1994 (25 U.S.C. 5131).

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

6 (A) any land located within the boundaries
7 of an Indian reservation, pueblo, or rancharia;
8 or

9 (B) any land not located within the bound-
10 aries of an Indian reservation, pueblo, or
11 rancharia, the title to which is held—

12 (i) in trust by the United States for
13 the benefit of an Indian Tribe or an indi-
14 vidual Indian;

15 (ii) by an Indian Tribe or an indi-
16 vidual Indian, subject to restriction against
17 alienation under laws of the United States;
18 or

19 (iii) by a dependent Indian commu-
20 nity.

21 **SEC. 3. DISTRESS ELIGIBILITY CRITERIA AND COOPERA-**
22 **TION AGREEMENTS.**

23 (a) DISTRESS ELIGIBILITY.—

24 (1) CRITERIA.—To be eligible for a RECOM-
25 PETE grant, a local labor market, local community,

1 partial local labor market, or Tribal government
2 shall meet the following criteria, as applicable, as de-
3 termined by the Secretary:

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

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

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

11 (ii) have—

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

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

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

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

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

1 (C) PARTIAL LOCAL LABOR MARKETS.—A
2 partial local labor market shall—

- 3 (i) have a prime-age employment gap
4 equal to not less than 2.5 percent; and
5 (ii) receive a waiver under subsection
6 (b)(3)(A).

7 (D) TRIBAL GOVERNMENTS.—

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

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

19 (2) LIMITATIONS.—

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

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

8 (b) COOPERATION AGREEMENTS.—

9 (1) REQUIREMENT.—

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

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

20 (ii) designate 1 applicant as the lead
21 entity to act in a representative capacity
22 for purposes of assuming overall responsi-
23 bility for carrying out the programs and
24 activities, and achieving compliance with

1 the applicable requirements, under the RE-
2 COMPETE grant.

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

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

12 (i) a written statement that—

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

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

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

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

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

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

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

5 (A) LOCAL COMMUNITIES.—

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

13 (ii) PARTIES.—A cooperation agree-
14 ment under clause (i) may be executed be-
15 tween or among—

16 (I) an eligible local community;

17 and

18 (II) 1 or more—

19 (aa) other eligible local com-
20 munities, or applicants within an
21 eligible local community, located
22 within the same local labor mar-
23 ket; or

24 (bb) applicants that are not
25 located within an eligible local

1 community, but are located with-
2 in the same local labor market as
3 an eligible local community.

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

13 (B) TRIBAL GOVERNMENTS.—

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

23 (ii) DEADLINE.—An election by a
24 Tribal government under clause (i) shall be
25 made by not later than 45 days after the

1 first date of the application period estab-
2 lished for the Tribal government under
3 section 4(a)(2)(B).

4 (iii) TREATMENT.—If a Tribal gov-
5 ernment elects to enter into a cooperation
6 agreement under clause (i)—

7 (I) the Tribal land of the Tribal
8 government shall be—

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

16 (bb) subject to the RECOM-
17 PETE plan for the applicable
18 area described in item (aa); and

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

23 (aa) shall not be decreased;
24 and

1 (bb) shall be added to the
2 amount provided to the applica-
3 ble lead entity for use in accord-
4 ance with the RECOMPETE
5 plan.

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

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

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

17 (II) penalizes a Tribal govern-
18 ment that does not elect to participate
19 in a cooperation agreement; or

20 (III) otherwise affects the
21 amount of a RECOMPETE grant to
22 be provided to any Tribal government.

23 (3) WAIVERS.—

24 (A) IN GENERAL.—The Secretary may
25 waive the requirement under paragraph (1)

1 with respect to an applicant acting on behalf of
2 a partial local labor market that—

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

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

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

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

20 (i) shall be eligible to receive a RE-
21 COMPETE grant; and

22 (ii) may elect to carry out the pro-
23 grams and activities, and achieve compli-
24 ance with the applicable requirements, in

1 the applicable area under the RECOM-
2 PETE grant—

3 (I) independently; or

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

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

15 (A) describes—

16 (i) the cooperation agreement;

17 (ii) the date of execution of the co-
18 operation agreement;

19 (iii) the authorization of the lead enti-
20 ty under the cooperation agreement; and

21 (iv) the formation of a consortium de-
22 scribed in section 2(2)(H) under the co-
23 operation agreement, if applicable; and

24 (B) includes—

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

4 (ii) any necessary certifications or
5 other documentation relating to the co-
6 operation agreement.

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

8 (a) ESTABLISHMENT.—

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

16 (A) create quality jobs;

17 (B) provide resources to help local resi-
18 dents—

19 (i) access opportunities; and

20 (ii) attain and retain employment;

21 (C) increase local per capita income and
22 prime-age employment rates; and

23 (D) support long-term, sustained economic
24 growth and opportunity in persistently dis-
25 tressed areas.

1 (2) APPLICATIONS.—

2 (A) IN GENERAL.—To be considered for
3 the provision of a RECOMPETE grant, an eli-
4 gible applicant or lead entity shall submit to the
5 Secretary an application—

6 (i) at such time, in such manner, and
7 containing such information as the Sec-
8 retary determines to be appropriate; and

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

13 (B) APPLICATION WINDOWS.—In carrying
14 out the RECOMPETE grant program, the Sec-
15 retary shall establish the periods during which
16 applications may be submitted under subpara-
17 graph (A), subject to the conditions that—

18 (i) the initial application period estab-
19 lished under this subparagraph shall be not
20 less than 3 years; and

21 (ii) for the second application period
22 under this subparagraph and each period
23 thereafter, the Secretary may, as the Sec-
24 retary determines to be appropriate—

25 (I) extend the period;

1 (II) accept late applications;

2 (III) initiate a new application
3 cycle; and

4 (IV) establish additional rules
5 and regulations under this subsection.

6 (C) LIMITATIONS.—

7 (i) IN GENERAL.—Subject to clause
8 (ii), the Secretary may establish a limita-
9 tion on—

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

14 (II) the total amount of each
15 RECOMPETE grant payment pro-
16 vided for each fiscal year.

17 (ii) REQUIREMENTS.—In establishing
18 any limitation under clause (i), the Sec-
19 retary shall ensure that—

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

1 grant during that application period;
2 and

3 (II) the Secretary is able—

4 (aa) to review applications
5 and provide technical assistance
6 and expertise to applicants in the
7 development and implementation
8 of RECOMPETE plans; and

9 (bb) to conduct benchmark
10 evaluations and meet applicable
11 reporting requirements in accord-
12 ance with section 5.

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

17 (i) local labor markets; and

18 (ii) Tribal governments.

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

25 (3) TERM.—A RECOMPETE grant shall—

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

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

4 (b) RECOMPETE PLANS.—

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

11 (2) REQUIREMENTS.—A RECOMPETE plan
12 shall include the following information with respect
13 to the applicable area:

14 (A) An identification of—

15 (i) each economic development chal-
16 lenge proposed to be addressed using a
17 RECOMPETE grant; and

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

22 (I) each public and private par-
23 ticipant; and

24 (II) each source of funding.

1 (B) A comprehensive strategy, for the 10-
2 year period beginning on the proposed date of
3 receipt of a RECOMPETE grant, to address
4 the economic challenges identified under sub-
5 paragraph (A)(i), in accordance with subsection
6 (d), in a manner that—

7 (i) promotes long-term, sustained eco-
8 nomic growth, opportunity, job creation,
9 employment, and increased per capita in-
10 come;

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

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

16 (iv) maximizes the effective develop-
17 ment and use of the local workforce; and

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

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

22 (D) The total amount of the RECOM-
23 PETE grant requested, and the justification for
24 that amount.

1 (E) The roles and responsibilities of each
2 recipient and subrecipient carrying out an activ-
3 ity under the RECOMPETE plan.

4 (F) The proposed allocation by the recipi-
5 ent to subrecipients of any RECOMPETE
6 grant amounts.

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

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

17 (ii) achieving compliance with such
18 other criteria as the Secretary may estab-
19 lish.

20 (3) OPTIONAL INCLUSIONS.—A RECOMPETE
21 plan may include strategies—

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

1 (B) to support business development and
2 entrepreneurship; and

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

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

11 (A) developed in accordance with that co-
12 operation agreement; and

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

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

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

1 (B) may be developed and included as a
2 supplemental portion of that strategy, rather
3 than as an independent plan.

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

8 (c) PLANNING AND TECHNICAL ASSISTANCE.—

9 (1) PLANNING ASSISTANCE.—

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

16 (i) the recipient requires such an ad-
17 vance; and

18 (ii) the advance will be used—

19 (I) effectively; and

20 (II) for planning purposes.

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

24 (i) an amount equal to 5 percent of
25 the maximum RECOMPETE grant

1 amount to be provided to the applicable re-
2 cipient; and

3 (ii) \$300,000.

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

7 (2) TECHNICAL ASSISTANCE.—The Secretary
8 shall provide technical assistance, if necessary, in
9 each applicable area relating to—

10 (A) the development of a RECOMPETE
11 plan that meets the applicable requirements of
12 this subsection with respect to the applicable
13 area; and

14 (B) implementation of the programs and
15 activities included in the RECOMPETE plan
16 for the applicable area.

17 (d) USE OF FUNDS.—

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

23 (A) the provision of business advice and
24 assistance to small and medium-sized local busi-
25 nesses and entrepreneurs, including—

- 1 (i) manufacturing extension services;
- 2 (ii) small business development cen-
- 3 ters;
- 4 (iii) centers to help businesses bid for
- 5 Federal procurement contracts;
- 6 (iv) entrepreneurial assistance pro-
- 7 grams that link entrepreneurs with avail-
- 8 able public and private resources;
- 9 (v) legal advice and resources; and
- 10 (vi) assistance in accessing capital;
- 11 (B) land and site development programs,
- 12 such as brownfield redevelopment, research and
- 13 technology parks, business incubators, business
- 14 corridor development, and Main Street redev-
- 15 opment programs;
- 16 (C) infrastructure and housing activities
- 17 that are directly related to supporting job cre-
- 18 ation and employment for residents, such as—
- 19 (i) improvements to transit, roads,
- 20 and broadband access;
- 21 (ii) affordable housing development;
- 22 (iii) land-use and zoning reforms; and
- 23 (iv) transit-oriented development ac-
- 24 tivities;

1 (D) job training oriented to local employer
2 needs, such as customized job training pro-
3 grams carried out by local community colleges
4 in partnership with local businesses;

5 (E) workforce outreach programs, such
6 as—

7 (i) programs located in, and targeted
8 to, lower-income and underemployed neigh-
9 borhoods; and

10 (ii) embedding job placement and
11 training services in neighborhood institu-
12 tions such as churches, housing projects,
13 and community advocacy programs;

14 (F) job retention programs and activities,
15 such as the provision of—

16 (i) job coaches, including at locations
17 of employment;

18 (ii) child care services, including sub-
19 sidizing the construction, operation, main-
20 tenance, and labor costs of child care cen-
21 ters; and

22 (iii) transportation support, such as
23 support for vehicle repairs to assist in the
24 transit of workers to jobs; and

1 (G) such other programs and activities as
2 the Secretary determines to be appropriate, in-
3 cluding any proposed programs or activities
4 that the recipient demonstrates clearly and sub-
5 stantially, to the satisfaction of the Secretary,
6 will directly advance the goals of the RECOM-
7 PETE grant program.

8 (2) METHOD.—In carrying out programs and
9 activities described in paragraph (1), a recipient or
10 subrecipient may—

11 (A) use amounts provided under a RE-
12 COMPETE grant to carry out such a program
13 or activity directly; or

14 (B) enter into a contract or other agree-
15 ment with a subcontractor or vendor (including
16 nongovernmental, nonprofit organizations and
17 for-profit entities) to carry out such a program
18 or activity.

19 (3) OUTSIDE PROGRAMS AND ACTIVITIES.—A
20 recipient acting on behalf of an eligible local commu-
21 nity that enters into a cooperation agreement under
22 section 3(b)(2)(A)(ii)(II) with a local community
23 that is not eligible, but is located within the same
24 local labor market, may use amounts provided under
25 a RECOMPETE grant to carry out a program or

1 activity described in paragraph (1) in the ineligible
2 local community, if the program or activity would
3 provide a benefit to residents of the eligible local
4 community.

5 (e) REGIONAL COMMISSIONS.—

6 (1) DEFINITION OF REGIONAL COMMISSION.—

7 In this subsection, the term “Regional Commission”
8 means—

9 (A) any of the Regional Commissions (as
10 defined in section 3 of the Public Works and
11 Economic Development Act of 1965 (42 U.S.C.
12 3122));

13 (B) the Northern Border Regional Com-
14 mission;

15 (C) the Southeast Crescent Regional Com-
16 mission;

17 (D) the Southwest Border Regional Com-
18 mission; and

19 (E) any other regional commission estab-
20 lished under Federal law, subject to the ap-
21 proval of the Secretary.

22 (2) TECHNICAL ASSISTANCE AND SUPPORT.—If
23 an applicant (or any portion of the service area of
24 an applicant) is located in a region covered by a Re-
25 gional Commission, the Regional Commission is en-

1 couraged to provide technical assistance and other
2 support relating to applying for a RECOMPETE
3 grant and developing and carrying out a RECOM-
4 PETE plan to—

5 (A) the applicant;

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

7 (C) any other relevant entities.

8 (3) ACTION BY SECRETARY.—The Secretary
9 shall—

10 (A) encourage each recipient to coordinate
11 the implementation of a RECOMPETE plan
12 with the activities of each Regional Commission
13 serving the region in which the applicable area
14 is located; and

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

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

19 (a) BENCHMARK EVALUATIONS.—

20 (1) IN GENERAL.—The Secretary shall establish
21 a process under which the Secretary shall conduct
22 periodic benchmark evaluations of each recipient to
23 ensure that the recipient successfully carries out the
24 programs and activities described in the RECOM-
25 PETE plan of the recipient.

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

4 (A) for a recipient of a RECOMPETE
5 grant provided during the initial application pe-
6 riod under section 4(a)(2)(B)(i), by not later
7 than 3 years after the date of the initial award
8 of the RECOMPETE grant; and

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

12 (3) CRITERIA.—In conducting a benchmark
13 evaluation of a recipient under this subsection, the
14 Secretary shall determine whether the recipient
15 has—

16 (A) adhered to the timelines and require-
17 ments of the programs and activities identified
18 in the RECOMPETE plan of the recipient;

19 (B) made sufficient progress toward
20 achieving the benchmarks and objectives de-
21 scribed in that RECOMPETE plan;

22 (C) increased the overall employment rate,
23 the prime-age employment rate, median house-
24 hold income, and per capita income in the ap-
25 plicable area; and

1 (D) achieved compliance with such other
2 criteria as the Secretary determines to be rel-
3 evant.

4 (b) MODIFICATION OF PLANS.—

5 (1) REQUIREMENT FOR RECIPIENTS.—A recipi-
6 ent shall modify the RECOMPETE plan of the re-
7 cipient, or any program or activity conducted under
8 that RECOMPETE plan, if the Secretary—

9 (A) determines that—

10 (i) such a program or activity is inef-
11 fective or underperforming; or

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

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

16 or

17 (II) funds have been misused;

18 and

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

21 (2) AUTHORITY OF SECRETARY.—

22 (A) ADJUSTMENTS AND INCREASES IN
23 FUNDING.—The Secretary may increase the
24 amount of the RECOMPETE grant provided to
25 the recipient as the Secretary determines to be

1 appropriate, taking into consideration any
2 modifications made to the RECOMPETE plan
3 under paragraph (1), in an amount equal to not
4 more than the maximum amount available on
5 the date of approval of the RECOMPETE
6 grant application for the applicable area and
7 subject to the availability of funds, if the Sec-
8 retary determines that—

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

11 (I) altered applicable project cir-
12 cumstances; or

13 (II) prevented the recipient from
14 meeting the objectives and bench-
15 marks of the RECOMPETE plan; or

16 (ii) a labor market, economic, busi-
17 ness, or technology shift, or any other
18 major factor, warrants such a modification
19 and increase in funding.

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

1 (i) after a reasonable effort, an agree-
2 ment cannot be reached with respect to a
3 modification to a RECOMPETE plan rec-
4 ommended or required by the Secretary
5 under this subsection; or

6 (ii)(I) a gross, intentional misuse of
7 RECOMPETE grant funds (including any
8 activity subject to a penalty under section
9 605 of the Public Works and Economic
10 Development Act of 1965 (42 U.S.C.
11 3215)) has occurred; and

12 (II) the individual or entity respon-
13 sible for the misuse is not removed from all
14 programs and activities carried out under
15 the RECOMPETE plan.

16 (c) RECIPIENT REPORTING REQUIREMENTS.—Each
17 recipient shall be subject to—

18 (1) the grant reporting requirements under part
19 200 of title 2, Code of Federal Regulations (or suc-
20 cessor regulations); and

21 (2) such additional, clear, annual reporting re-
22 quirements as the Secretary may establish to gather
23 any information necessary to conduct the benchmark
24 and final evaluations under this section.

25 (d) FINAL EVALUATION.—

1 (1) IN GENERAL.—Not later than 1 year after
2 the final disbursement of a RECOMPETE grant is
3 provided to each recipient, the Secretary, in coopera-
4 tion with the recipient and each applicable sub-
5 recipient, shall conduct a final evaluation of the suc-
6 cess of the programs and activities carried out under
7 the RECOMPETE plan of the recipient.

8 (2) CRITERIA.—The Secretary shall establish
9 criteria for use in conducting final evaluations under
10 this subsection—

11 (A) in addition to the criteria established
12 under subsection (a)(3); and

13 (B) taking into consideration the goal of
14 reducing the prime-age employment gap of each
15 applicable area by 50 percent.

16 (3) REQUIREMENTS FOR RECIPIENTS.—Each
17 recipient and subrecipient shall—

18 (A) cooperate with the Secretary in con-
19 ducting a final evaluation under this subsection;
20 and

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

23 (e) REPORT TO CONGRESS.—The Secretary shall
24 submit to Congress comprehensive and detailed annual re-

1 ports describing the implementation of this Act, including,
2 with respect to the period covered by the report—

3 (1)(A) a summary assessment of the overall
4 progress of the RECOMPETE grant program; and
5 (B) as data become available, an analysis of the
6 effectiveness of that program;

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

10 (A) decreasing prime-age employment
11 gaps; or

12 (B) increasing local per capita income;

13 (3) detailed demographic analyses of—

14 (A) the populations served by recipients;
15 and

16 (B) relevant labor market statistics;

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

19 (5) an identification of, and reasons for reject-
20 ing or deferring, as applicable, each application sub-
21 mitted under section 4(a)(2), including the applica-
22 ble annual RECOMPETE grant amount limitation
23 established by the Secretary under subparagraph
24 (C)(i)(II) of that section, if any; and

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

3 (f) APPLICABILITY OF PWEDA.—

4 (1) IN GENERAL.—The following sections of the
5 Public Works and Economic Development Act of
6 1965 shall apply to this Act (including the RECOM-
7 PETE grant program):

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

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

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

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

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

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

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

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

16 (2) AUTHORITIES AND DUTIES OF SEC-
17 RETARY.—The Secretary shall have the authorities
18 and duties provided by the sections of the Public
19 Works and Economic Development Act of 1965 (42
20 U.S.C. 3121 et seq.) referred to in paragraph (1) in
21 administering and enforcing this Act (including the
22 RECOMPETE grant program).

23 **SEC. 6. FUNDING.**

24 (a) AUTHORIZATION OF APPROPRIATIONS.—There is
25 authorized to be appropriated to the Secretary to carry

1 out this Act \$175,000,000,000 for fiscal year 2022, to re-
2 main available until expended.

3 (b) ALLOCATION.—

4 (1) IN GENERAL.—Subject to paragraph (2), of
5 the amounts made available under subsection (a),
6 the Secretary shall allocate—

7 (A) not less than 70 percent to recipients
8 acting on behalf of local labor markets or par-
9 tial local labor markets;

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

12 (C) not less than 10 percent to eligible
13 Tribal governments.

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

19 (3) ADMINISTRATIVE COSTS AND PER-
20 SONNEL.—

21 (A) IN GENERAL.—Of any amounts made
22 available to carry out this Act, the Secretary
23 shall transfer not less than 1 percent to the
24 Salary and Expenses Account of the Secretary

1 for the costs of administration and oversight of
2 this Act.

3 (B) PERSONNEL.—The Secretary may—

4 (i) appoint and fix the compensation
5 of such temporary personnel as may be
6 necessary to carry out this Act; and

7 (ii) effective beginning on the date on
8 which an individual appointed under clause
9 (i) has served continuously in that appoint-
10 ment for 2 years, appoint the individual to
11 a position in the Economic Development
12 Administration in the same manner in
13 which competitive service employees with
14 competitive status are considered for trans-
15 fer, reassignment, or promotion to such a
16 position, at which time the individual shall
17 become a career-conditional employee, un-
18 less the individual has completed the serv-
19 ice requirements for career tenure.

20 (c) GRANT FORMULAS.—

21 (1) IN GENERAL.—Subject to subsection (e),
22 based on the information relating to projected costs
23 contained in applicable RECOMPETE plans under
24 subparagraph (C) of section 4(b)(2), and the jus-
25 tifications described in subparagraph (D) of that

1 section, the amount of a RECOMPETE grant pro-
2 vided to a recipient shall be determined in accord-
3 ance with this subsection.

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

7 (A) the prime-age employment gap of the
8 local labor market;

9 (B) the prime-age population of the local
10 labor market; and

11 (C) \$70,585.

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

16 (A) the prime-age employment gap of the
17 local community;

18 (B) the prime-age population of the local
19 community; and

20 (C) \$53,600.

21 (4) PARTIAL LOCAL LABOR MARKETS.—An eli-
22 gible partial local labor market may receive not more
23 than the amount equal to the product obtained by
24 multiplying—

1 (A) the population of the partial local labor
2 market;

3 (B) the lesser of—

4 (i) the prime-age employment gap of
5 the local labor market within which the
6 partial local labor market is located; and

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

9 (C) \$70,585.

10 (5) TRIBAL GOVERNMENTS.—

11 (A) IN GENERAL.—An eligible Tribal gov-
12 ernment may receive not more than the amount
13 equal to the product obtained by multiplying,
14 subject to subparagraph (B)—

15 (i) the prime-age employment gap of
16 the Tribal government;

17 (ii) the prime-age population of the
18 Tribal government; and

19 (iii) \$70,585.

20 (B) CALCULATION OF POPULATION.—

21 (i) IN GENERAL.—Subject to clause
22 (ii), for purposes of subparagraph (A), the
23 population of a Tribal government shall be
24 equal to the sum obtained by adding—

1 (I) the product obtained by mul-
2 tipling—

3 (aa) the total number of in-
4 dividuals residing on the Tribal
5 land of the Tribal government;
6 and

7 (bb) 0.65; and

8 (II) the product obtained by mul-
9 tipling—

10 (aa) the total number of in-
11 dividuals included on the mem-
12 bership roll of the Tribal govern-
13 ment; and

14 (bb) 0.35.

15 (ii) USE OF DATA.—Each calculation
16 under clause (i) shall be determined based
17 on data provided by the applicable Tribal
18 government to the Department of the
19 Treasury under the Coronavirus State and
20 Local Fiscal Recovery Fund programs
21 under title VI of the Social Security Act
22 (42 U.S.C. 801 et seq.) (as amended by
23 subtitle M of title IX of the American Res-
24 cue Plan Act of 2021 (Public Law 117–2;
25 135 Stat. 4)).

1 (6) LOCAL COMMUNITIES WITH COOPERATION
2 AGREEMENTS.—If an eligible local community elects
3 to enter into a cooperation agreement under section
4 3(b)(2)(A) with 1 or more local communities that
5 are not eligible—

6 (A) each eligible local community that is a
7 party to the cooperation agreement may receive
8 the maximum amount available to the eligible
9 local community, as determined under para-
10 graph (3); and

11 (B) the Secretary may award to the lead
12 entity an additional amount equal to not more
13 than 10 percent of the total amount provided
14 under subparagraph (A), for distribution by the
15 lead entity to any local community or other ap-
16 plicant that is a party to the cooperation agree-
17 ment, regardless of whether the local commu-
18 nity or other applicant is eligible, for use in ac-
19 cordance with the applicable RECOMPETE
20 plan.

21 (d) OBLIGATION AND DISBURSEMENT OF FUNDS.—

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

1 (A) obligate the entire amount of the RE-
2 COMPETE grant for the applicable recipient;
3 and

4 (B) disburse that amount to the recipient
5 annually for each of the 10 fiscal years begin-
6 ning after the date of obligation, in accordance
7 with this subsection.

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

17 (3) PROVISION OF FUNDING.—On approval by
18 the Secretary of a proposal submitted by a recipient
19 under paragraph (2), the Secretary shall disburse to
20 the recipient the amount of the RECOMPETE
21 grant due to the recipient for the fiscal year, for use
22 in accordance with—

23 (A) the proposal; and

24 (B) the RECOMPETE plan of the recipi-
25 ent.

1 (e) COST SHARING.—

2 (1) FEDERAL SHARE.—

3 (A) IN GENERAL.—The Federal share of
4 the cost of each program and activity carried
5 out using a RECOMPETE grant shall be the
6 cost-share described in subparagraph (B) for
7 the applicable recipient, subject to subpara-
8 graph (C) and paragraphs (2) through (4).

9 (B) DESCRIPTIONS OF COST-SHARES.—

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

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

16 (aa) not less than 2.5 per-
17 cent; but

18 (bb) less than 3 percent; and

19 (II) an additional 6.25 percent
20 for each prime-age employment gap
21 percentage point of 3 percent or more,
22 as determined in accordance with the
23 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 igible 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

Local community prime-age employment gap	Federal share
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 (iii) PARTIAL LOCAL LABOR MAR-
 2 KETS.—

3 (I) IN GENERAL.—Subject to
 4 subclause (II), for an eligible partial
 5 local labor market, the cost-share re-
 6 ferred to in subparagraph (A) shall
 7 be—

8 (aa) 50 percent for an eligi-
 9 ble partial local labor market
 10 with a prime-age employment
 11 gap equal to—

12 (AA) not less than 2.5
 13 percent; but

14 (BB) less than 3 per-
 15 cent; and

16 (bb) an additional 6.25 per-
 17 cent for each prime-age employ-
 18 ment gap percentage point of 3
 19 percent or more, as determined

1 in accordance with the following
 2 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.

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

15 (iv) TRIBAL GOVERNMENTS.—For an
 16 eligible Tribal government, the cost-share

1 referred to in subparagraph (A) shall be
2 100 percent.

3 (C) AVAILABLE INCREASES.—

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

15 (ii) SEVERE ECONOMIC NEED.—The
16 Federal share determined for a recipient
17 under subparagraph (B) may be increased
18 to not more than 100 percent of the total
19 estimated cost of the programs and activi-
20 ties included in the RECOMPETE Plan
21 for the applicable area in any case in
22 which the Secretary determines that the
23 recipient or a subrecipient has—

24 (I) exhausted all other reasonable
25 financing and funding options; and

1 (II) demonstrated severe eco-
2 nomic need.

3 (2) SPECIAL RULE.—

4 (A) IN GENERAL.—Except as provided in
5 subparagraph (B), the Federal share calculated
6 for an eligible local community under paragraph
7 (1) shall not be reduced due to an election by
8 the eligible local community to enter into a co-
9 operation agreement under section 3(b)(2)(A).

10 (B) EXCEPTION.—If additional amounts
11 are provided for an eligible local community for
12 distribution to subrecipients under section
13 3(b)(2)(A)(iii), the Federal share calculated
14 under paragraph (1) for the eligible local com-
15 munity shall be not more than 50 percent, sub-
16 ject to any increase in accordance with clause
17 (i) or (ii) of paragraph (1)(C), as applicable.

18 (3) NON-FEDERAL CONTRIBUTIONS.—In calcu-
19 lating the non-Federal share of the cost of a pro-
20 gram or activity carried out under a RECOMPETE
21 plan, the Secretary may provide a credit toward the
22 non-Federal share for any non-Federal contribution
23 to the program or activity—

24 (A) in cash or in-kind;

25 (B) fairly evaluated; and

1 (C) including any contribution of space,
2 equipment, assumption of debt, or service.

3 (4) REASSESSMENT.—

4 (A) IN GENERAL.—The Federal share and
5 non-Federal share determined for a recipient
6 under paragraphs (1) and (2) shall apply dur-
7 ing the period beginning on the date of enact-
8 ment of this Act and ending on the date on
9 which the initial benchmark evaluation relating
10 to the recipient is conducted under section 5(a).

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

16 (i) reevaluate the Federal share and
17 non-Federal share determined for the re-
18 cipient under this subsection; and

19 (ii) determine whether such a cost-
20 share should be adjusted, subject to sub-
21 paragraph (C).

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

1 (i) shall not be decreased by more
2 than—
3 (I) 10 percent, as compared to
4 the Federal share determined for the
5 recipient under this subsection for the
6 preceding period; or
7 (II) 30 percent, in total; and
8 (ii) shall be not less than 50 percent.