[117H3246]

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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. _____

To award funds to States and local areas for subsidized employment programs for youth.

IN THE HOUSE OF REPRESENTATIVES

Mr. GARCÍA of Illinois introduced the following bill; which was referred to the Committee on _____

A BILL

To award funds to States and local areas for subsidized employment programs for youth.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Connecting Youth to Jobs Act''.

SEC. 2. PURPOSES.

The purposes of this Act are to—

(1) offer employment to all young people who seek it, especially those who have been historically disadvantaged;

(2) create subsidized employment opportunities for young people to address National, State, and local priorities, such as infrastructure enhancement, manufacturing, public works, community development, and the arts; and

(3) support young people with services, including housing, healthcare, transportation, child care, and access to technology.

SEC. 3. DEFINITIONS.

In this Act:

(1) ELIGIBLE YOUTH.—The term ''eligible youth'' means an individual who is not younger than age 14 and not older than age 24, without regard to immigration status or past or current involvement with the juvenile or criminal justice system.

(2) ESEA TERMS.—The terms ''local educational agency'' and ''State educational agency'' have the meanings given the terms in section 8101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

(3) HIGH-POVERTY AREA.—The term ''high-poverty area'' means a census tract with a youth

poverty rate of at least 20 percent during the most recent 5 consecutive years.

(4) HISTORICALLY HIGH YOUTH UNEMPLOYMENT LEVELS.—The term ''historically high youth unemployment levels'' means any local area with a youth unemployment rate of at least 10 percent, as measured over the most recent decennial censuses, or by the Bureau of Labor Statistics for the most recent 5-year period for which data are available.

(5) INSTITUTION OF HIGHER EDUCATION.—The term ''institution of higher education'' has the meaning given the term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).

(6) PUBLIC EDUCATION ENTITY.—The term ''public education entities'' includes—

(A) a local educational agency;

(B) a State educational agency; or

(C) a public institution of higher education.

(7) REGISTERED APPRENTICESHIP PROGRAM.—The term ''registered apprenticeship programs'' means an apprenticeship program registered under the Act of August 16, 1937 (commonly known as the ''National Apprenticeship Act''; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.), including any re-

quirement, standard, or rule promulgated under such Act, as such requirement, standard, or rule was in effect on December 30, 2025 (or successor requirements, standards or rule).

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

(9) SUPPORTIVE SERVICES.—The term ''supportive services'' means services such as transportation, child care, dependent care, housing, and needs-related payments, that are necessary to enable an individual to participate in activities authorized under this Act.

(10) WORK-BASED LEARNING.—The term ''work-based learning'' has the meaning given the term in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302), except that such term includes work-based learning in virtual settings.

(11) WIOA TERMS.—The terms ''in-demand industry sector or occupation'', ''individual with a disability'', ''in-school youth'', ''local area'', ''local board'', ''out-of-school youth'', ''outlying area'', ''poverty line'', ''recognized postsecondary credential'', ''State'', ''State board'', and ''unit of general local government'' have the meanings given the

terms in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).

(12) YOUTH WITH A BARRIER TO EMPLOYMENT.—The term ''youth with a barrier to employment'' means an eligible youth who—

(A) is a homeless child or youth (as such term is defined in section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a));

(B) has been incarcerated or has past or current involvement with the criminal or juvenile justice systems;

(C) is a current or former foster youth;

(D) is an individual with a disability;

(E) is pregnant or parenting;

(F) is a school dropout (as defined by State law);

(G) is from a family with an income level at or below 200 percent of the poverty line; or

(H) is a member of another young-adult population, including racial groups, that is experiencing disparate levels of youth disconnection, as defined by the local workforce development board of the local area in which the youth resides.

TITLE I—YOUTH PUBLIC EMPLOYMENT PROGRAM

SEC. 101. FORMULA GRANTS TO STATES AND LOCAL AREAS.

(a) FUNDING ALLOTMENTS AND ALLOCATIONS.—

(1) STATE ALLOTMENTS.—To assist States and outlying areas, and to enable States and outlying areas to assist local areas, in carrying out subsidized employment programs described in subsection (b) for youth with a barrier to employment, from the funds appropriated under section 105(a), the Secretary of Labor shall—

(A) make an allotment in accordance with section 127(b)(1)(C)(ii) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3162(b)(1)(C)(ii)) to each State that meets the requirements of section 102 or 103 of such Act (29 U.S.C. 3112, 3113); and

(B) award a grant to each outlying area that complies with the requirements of title I of the Workforce Innovation and Opportunity Act (29 U.S.C. 3101 et seq.) to carry out subsidized youth employment programs for such youth.

(2) WITHIN STATE ALLOCATION.—

(A) STATEWIDE ACTIVITIES.—Each State shall reserve 25 percent of the allotment re-

ceived under paragraph (1)(A) to carry out statewide subsidized employment programs described in subsection (b).

(B) ALLOCATIONS TO LOCAL AREAS.—A Governor of a State that receives an allotment under paragraph (1), in coordination with relevant State and local stakeholders, shall use any remaining amounts (after reserving funds under subparagraph (A)), to allocate funds to local areas, as long as not less than 65 percent of such remaining amount is allocated to—

(i) high-poverty local areas with the highest youth unemployment rate compared to other local areas in the State; and

(ii) local areas with historically high levels of youth unemployment within the State.

(b) USES OF FUNDS.—

(1) SUBSIDIZED EMPLOYMENT PROGRAMS.—

(A) IN GENERAL.—Funds allotted to States for statewide programs, and funds allocated to local areas under subsection (a), shall be used to carry out subsidized employment programs described in paragraph (3) that—

(i) lead to unsubsidized, full-time employment for youth with a barrier to employment in such State or local area; or

(ii) provide the necessary skills and competency attainment of at least 1 recognized postsecondary credential to further the education or career of such youth.

(2) FUNDING DISTRIBUTION.—Of the funds allotted to States, or allocated to local areas, as described in paragraph (1) for a fiscal year:

(A) Not less than 60 percent shall be used for wages and employment benefits to individuals employed in subsidized employment programs funded under this section.

(B) Not less than 30 percent for the first fiscal year for which such funds are so allotted or allocated, and not less than 20 percent for each fiscal year thereafter, shall be used to provide career services described in section 134(c)(2) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3174(c)(2)), training services, or youth workforce investment activities.

(C) Any remaining funds may be used for administrative and other allowable costs (such

as supplies, materials, equipment, and health and safety resources) incurred by the State or local area, as determined by the Secretary.

(3) CONDITIONS.—Except as otherwise determined by the Secretary, the following conditions shall apply to each subsidized employment program funded under this section:

(A) Each youth with a barrier to employment residing in the State or local area funding such program shall be entitled to an opportunity to be employed by such program, and no other individual shall be provided such opportunity.

(B) Each individual employed under such program shall be paid a wage, which shall at least be the highest of the following:

(i) $17 an hour.

(ii) The minimum wage under the applicable State or local minimum wage law.

(iii) The prevailing rates of pay for individuals employed in similar occupations by the same employer.

(iv) The Federal minimum wage in effect under section 6(a)(1) of the Fair

Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)).

(C) With respect to a wage determined under subparagraph (B), the Secretary may promulgate regulations to increase such wage after consideration of industry, geographical region, skill requirements, and individual proficiency.

(D) An individual may self-attest to being a youth with a barrier to employment, and verification of such eligibility may occur after the individual is employed under the program.

(E) Earnings from such program shall not be regarded as income and shall not be regarded as a resource for the month of receipt and the following 12 months, for purposes of determining the eligibility of an individual (or the individual's spouse or family) for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program or under any State or local program financed in whole or in part with Federal funds.

(F) Such program shall coordinate with the workforce systems and activities promoted by the State or local board to connect youth

with a barrier to employment to educational or career opportunities.

SEC. 102. COMPETITIVE GRANTS TO ELIGIBLE ENTITIES.

(a) IN GENERAL.—From the amounts appropriated under section 105(b), the Secretary shall award grants, on a competitive basis, to eligible entities for activities described in subsection (d).

(b) REQUIREMENTS ON USES OF FUNDS.—In awarding funds under this section the Secretary shall ensure the following:

(1) DIRECT FINANCIAL ASSISTANCE.—Not less than 40 percent of such funds are used to provide direct financial assistance to eligible youth to support such youth with financial needs with respect to entering, remaining enrolled in, and completing a subsidized employment program described in section 101(b) (including related costs of training, supplies, food and nutrition, housing, transportation, child care, mental health and substance abuse services, payment of fines, or other targeted costs determined allowable by the Secretary).

(2) IN-DEMAND INDUSTRY SECTORS OR OCCUPATIONS.—Not less than 40 percent of such funds are used to connect eligible youth to employers for in-demand industry sectors or occupations, work-

based learning opportunities, registered apprenticeship programs, or to reconnect to a public education entity.

(c) ELIGIBLE ENTITY DEFINED.—

(1) IN GENERAL.—The term ''eligible entity'' means an entity that the Secretary determines to serve a high number or high percentage of youth with a barrier to employment who are employed in a subsidized employment programs described in section 101(b).

(2) INCLUSIONS.—The term ''eligible entity'' includes—

(A) a community-based organization;

(B) a State and unit of general local government in a partnership with a community-based organization;

(C) a partnership among States and units of general local government, community-based organizations, public education entities, registered apprenticeships, and employers from in-demand industry sectors or occupations;

(D) a partnership among community-based organizations and juvenile and adult correctional facilities;

(E) a labor organization or joint labor-management organization; or

(F) a tribal organization (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)) or an urban Indian organization (as defined in section 4 of the Indian Health Care Improvement Act (25 U.S.C. 1603))''.

(d) USES OF FUNDS.—An eligible entity that receives a grant under this section—

(1) shall use the grant to match youth with a barrier to employment to subsidized employment programs funded under section 101, and provide hands-on work experience that does not supplant the work of existing employees; and

(2) may use a grant received under this section to carry out 1 or more of the following:

(A) Provide (directly or through partnerships) technical assistance and supportive services to eligible youth and their families to help navigate supportive services and other Federal and State assistance programs to support the recruitment, retention, and completion of a program funded under section 101.

(B) Coordinate partnerships with programs funded under section 101 to connect eligible youth to educational or career opportunities, including to employers for in-demand industry sectors or occupations, work-based learning opportunities, registered apprenticeship programs, or to reconnect to a public education entity.

(C) Form comprehensive youth service delivery systems to improve education and employment outcomes for youth and to strategically connect local sectors, systems, and resources by strategically coordinating resources and public, private, and nonprofit funding to create youth pathways to further the education, skills, and access to jobs and successful careers, by—

(i) conducting and improving outreach to underrepresented youth and families with respect to the programs funded under section 101;

(ii) making appropriate use of existing education, child welfare, social services, and workforce development data collection systems to facilitate the entity's ability to recruit youth participants; and

(iii) developing wide-ranging higher education or employment pathways for youth.

(D) Assist in the transition between subsidized youth employment programs and unsubsidized employment or education.

(E) In the case of an eligible entity described in subsection (d)(2)(D), assist in the transition from incarceration with the goal of reducing rates of recidivism and ensuring incarcerated youth and formerly incarcerated youth have access to employment and educational opportunities.

SEC. 103. RULE OF CONSTRUCTION.

Nothing in this title shall be construed to prohibit an individual receiving assistance under this title from being represented by a labor organization.

SEC. 104. PERFORMANCE EVALUATION, DATA COLLECTION, AND ACCOUNTABILITY.

(a) IN GENERAL.—Not later than 1 year after the first grant is awarded under section 101, and annually thereafter, each program funded under section 101 shall be evaluated by the State board of the State receiving an allotment under section 101 to carry out such program

or the local board of the local area receiving an allocation under section 101 to carry out such program.

(b) PERFORMANCE DATA COLLECTION.—The Secretary of Labor shall collect data on—

(1) the performance of each program using the disaggregated indicators of performance in section 116(b)(2)(A)(i) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3141(b)(2)(A)(i));

(2) the completion rates of the program;

(3) the rate of full-time unsubsidized employment after program completion; and

(4) the rate of reconnection to public education entities after program completion.

(c) ACCOUNTABILITY METRICS.—The Secretary shall establish a youth work-readiness indicator.

SEC. 105. REPORT TO CONGRESS.

Not later than December 31, 2029, and annually thereafter, the Secretary of Labor shall submit a publicly available report to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate that includes—

(1) a review and assessment of all information related to the programs funded under this Act; and

(2) any relevant guidance issued by the Secretary with respect to such programs.

SEC. 106. AUTHORIZATION OF APPROPRIATIONS.

(a) MANDATORY FUNDS.—There are authorized to be appropriated, and there are appropriated (in addition to any other amounts appropriated to carry out this section 101 and out of any money in the Treasury not otherwise appropriated), such sums as may be necessary to carry out section 101 for fiscal year 2027 and each of the succeeding 9 fiscal years.

(b) COMPETITIVE GRANTS.—There are authorized to be appropriated $10,000,000,000 to carry out section 102 for fiscal year 2027 and each of the succeeding 9 fiscal years.

TITLE II—GAO REPORT

SEC. 201. GAO REPORT.

(a) IN GENERAL.—Not later than 2 years after the date of the published report in section 105, and every 4 years thereafter, the Comptroller General of the United States shall conduct an independent evaluation of the activities funded under this Act and submit to Congress a report that shall be made publicly available.

(b) EVALUATION.—In conducting the evaluation under subsection (a), the Comptroller General shall con-

sider, as applicable and appropriate, information from the report under section 105.

(c) REPORT.—The report described in subsection (a) shall review, assess, and provide recommendations, as appropriate, on the following:

(1) Compliance with the requirements established under this Act.

(2) The effectiveness of the requirements established under this Act, associated challenges, and trends in the youth progress made toward the goals described in section 101(b)(1)(A).

(3) Federal guidance, best practices, and funding recommendations for related Federal youth employment activities and any innovative State and local actions that improve or further the education or career of youth participants, including employment opportunities that lead to long-term, unsubsidized employment.

TITLE III—YOUTH STUDENT INCOME EXCLUSION UNDER THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

SEC. 301. YOUTH STUDENT INCOME EXCLUDED UNDER THE FOOD AND NUTRITION ACT OF 2008.

Section 5(d)(7) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(d)(7)) is amended by inserting ''and income earned by a household member who is less than 22 years of age, who is an elementary or secondary school student, and who lives with a natural, adoptive, or step-parent'' before the semicolon at the end.