***Section-by-Section***

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**Sec. 2. Findings and declarations**

**Sec. 3. Definitions**

1. ENTITY.— IN GENERAL.— The term ‘entity’ means—
	1. units of general local government, such as a county, county equivalent including a parish in Louisiana or borough in Alaska, city, town, village, the District of Columbia, or other general-purpose political subdivision of a State;
	2. Indian tribe, United States territories;
	3. A consortium of units of general local government within a discrete local labor market, as described in subsection (d), or partial local labor market, as defined in subsection (e);
	4. Economic development districts as defined in section 3 of the Public Works and Economic Development Act of 1965 or as designated by the Secretary in accordance with section 401 of such Act;
	5. Other political subdivisions of a State, such as a special purpose entity engaged in economic development activities;
	6. A public or private nonprofit organization or association acting in cooperation with officials of the political subdivisions.
2. LEAD ENTITY.—The term ‘lead entity’ refers to an entity as described in Sec. 4(b) and (d).
3. ELIGIBLE ENTITY.—The term ‘eligible entity’ refers to an entity within an eligible local labor market, partial local labor market, or local community.
4. LOCAL LABOR MARKET.– The term ‘local labor market’ means each entity as described in subsection (a)(1) and (2) included in a discrete unit of the following geographic areas:
	1. Discrete metropolitan statistical areas and micropolitan statistical areas, collectively referred to as Core Based Statistical Areas (CBSAs), as defined and delineated by the Office of Management and Budget or
	2. Commuting Zones (CZs), as defined by the Economic Research Service of the U.S. Department of Agriculture, excluding the areas that overlap with the areas described under paragraph (1).
5. PARTIAL LOCAL LABOR MARKET.— The term ‘partial local labor market’ means each entity as described in paragraphs (1) and (2) within but not coextensive with a discrete local labor market that receives a waiver as described under Sec. 4(c).
6. LOCAL COMMUNITY. – Entities that are not contained within an eligible local labor market or eligible partial local labor market are defined as a ‘local community’ if they meet the following criteria--
	1. A county or county equivalent that has a total population of under [5,000 - 10,000];
	2. A unit of general local government that has a total population of [1,000 – 5,000] or more, and that is a political subdivision of a county or county equivalent that has a total population of [5,000 - 10,000] or more; and
	3. A consortium with a total population of [1,000 – 5,000] or more, and that is made up of units of general local government that have individual total populations of under [1,000 – 5,000] and that are within a discrete county or county equivalent that has a total population of [5,000 - 10,000] or more.
7. ELIGIBLE LOCAL LABOR MARKET.—The term ‘eligible local labor market’ refers to a local labor market that meets the distress eligibility criteria described in section 4(a).
8. ELIGIBLE PARTIAL LOCAL LABOR MARKET.—The term ‘eligible partial local labor market’ refers to a partial local labor market that meets the distress eligibility criteria described in section 4(a).
9. ELIGIBLE LOCAL COMMUNITY.—The term ‘eligible local community’ refers to a local community that meets the distress eligibility criteria described in section 4(a).
10. APPLICABLE AREA. – Refers to the geographic area and corresponding units of local government of a local labor market, partial local labor market, or local community.
11. COOPERATION AGREEMENT.—Refers to a cooperation agreement as defined in Sec. 4(a) and (d) as relevant to the applicable area.
12. PRIME-AGE-- ages 25 to 54 years.
13. PRIME-AGE EMPLOYMENT RATE—The five-year average employed prime-age population divided by the total prime-age population of an applicable area, expressed as a percentage.
14. LOCAL LABOR MARKET PRIME-AGE EMPLOYMENT GAP—The difference between the national five-year average prime-age employment rate and local labor market five-year average prime-age employment rate, expressed as a percentage.
15. PARTIAL LOCAL LABOR MARKET PRIME-AGE EMPLOYMENT GAP—The difference between the national five-year average prime-age employment rate and partial local labor market five-year average prime-age employment rate, expressed as a percentage.
16. LOCAL COMMUNITY PRIME-AGE EMPLOYMENT GAP—The difference between the local labor market five-year average prime-age employment rate and local community five-year average prime-age unemployment rate.
17. APPLICABLE PRIME-AGE EMPLOYMENT GAP.—Refers to the local labor market prime-age employment gap or local community prime-age employment gap as applicable.
18. RECIPIENT.—The term ‘recipient’ refers to an eligible local community or lead entity designated under a cooperation agreement as described in Section 4(b) and (d) that is granted assistance under this Act.
19. SUBRECIPIENT.—The term ‘subrecipient’ refers to an entity within an eligible local community, local labor market, or partial local labor market that is not the recipient and is distributed funds awarded under this Act in a manner and amounts as agreed to in the comprehensive economic development strategy.
20. COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY—Refers to a comprehensive economic development strategy described in Sec. 5(b) of this Act.
21. REGIONAL COMMISSIONS—As described in PWEDA Sec. 3(a)(8), but also including the Northern Border Regional Commission, the Southeast Crescent Regional Commission, and the Southwest Border Regional Commission, all established in the Food, Conservation, and Energy Act of 2008 (P.L. 110-234), and, subject to the approval of the Secretary, any future Regional Commissions established under similar Federal authorities.
22. INDIAN LAND.—The term ‘Indian land’ has the meaning that term has under section 2601 of the Energy Policy Act of 1992 (25 U.S.C. 3501).
23. INDIAN TRIBE.—The term ‘Indian Tribe’ means an Indian tribe, as that term is defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304).
24. DEPARTMENT.– The term ‘Department’ means the Department of Commerce.
25. SECRETARY.– The term ‘Secretary’ means the Secretary of Commerce.
26. EDA.—The term ‘EDA’ refers to the Economic Development Administration.
27. PWEDA. – Refers to the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. 3121 et seq)

**Sec. 4. Local Labor Market Cooperation and Eligibility**

1. DISTRESS ELIGIBILITY—To qualify for assistance under this Act—
	1. A local labor market must have a local labor market prime-age employment gap of at least 2.5 percent;
	2. A partial local labor market must have a partial local labor market prime-age employment gap which is at least 2.5 percent below the national prime-age employment rate;
	3. A local community must meet the following criteria:
		1. a median household income of $75,000 or less;
		2. a local community prime-age employment gap of five percent or more; and
		3. a local community prime-age employment rate which is at least five percent below the national prime-age employment rate.
	4. SPECIAL RULE.-- An Indian tribe that—
		1. Is granted a waiver described in subsection (c) must have a prime-age employment rate which is at least 2.5 percent below the national prime-age employment rate; or
		2. Is not contained within an eligible local labor market or eligible partial local labor market must have a prime-age employment rate which is at least 2.5 percent below the national prime-age employment rate.
2. LOCAL LABOR MARKET COOPERATION AGREEMENTS.—Eligible entities described in section 3(a)(1) and (2) within a discrete local labor market, partial local labor market, or local community shall execute a legally binding cooperation agreement to designate a lead entity, which may be any new or existing entity described in Sec. 3(a) located within the eligible applicable area, to act in a representative capacity for the purposes of assuming the overall responsibility for carrying out the activities and requirements described in Sections 5 and 6 of this Act. Upon executing such an agreement, the lead entity shall provide the Secretary with—
	1. A written notification of the [formation of a consortium,] execution of such an agreement, and authorization of the lead entity; and
	2. Certification and documentation demonstrating that the actions described in paragraph (1) have been executed with the participation and cooperation of the entities described in Sec. 3(a)(1) and (2).
3. WAIVER OF CERTAIN REQUIREMENTS.—The Secretary may waive the requirement described under paragraph (b) and allow one or more entities described under Sec. 3(a)(1) and (2) within, but not coexistent with, a discrete eligible local labor market, to be considered independently or execute such an agreement as described under subsection (b) as a partial local labor market if—
	1. The entity is an Indian tribe and meets the criteria described in subsection (a)(4); or
	2. meets the following criteria:
		1. After a reasonable effort is made as determined by the Secretary, the entities are unable to execute a cooperation agreement amongst the entire local labor market;
		2. the partial local labor market meets the eligibility requirements described in subsection (a)(2); and
		3. the lead entity of such eligible partial local labor market provides the written notification, certification, and documentation of the cooperation agreement as described in subsection (b).
4. LOCAL COMMUNITY COOPERATION AGREEMENT.—Eligible local communities within a discrete local labor market that does not meet the eligibility requirements described under subsection (a)(1) are encouraged to execute a legally binding cooperation agreement as described in section (b) in accordance with the following—
	1. The cooperation agreement can be executed with
		1. one or more other eligible local communities or entities within eligible local communities within the same local labor market; and
		2. One or more entities within the same local labor market, but which are not within an eligible local community.
	2. If such an agreement is executed—
		1. The eligible local community or communities shall authorize a lead entity, which may be any entity described in Sec. 3(a) within the applicable area, to act in a representative capacity for the purposes of assuming the overall responsibility for carrying out the activities and requirements described in sections 5 and 6 of this Act; and
		2. The Secretary may award additional amounts as described in section 7(c)(5) subject to the applicable cost-sharing provisions described in section Sec. 7(e) if an agreement is executed between an eligible local community and entities described in paragraph (1)(B).

**Sec. 5. Build Back Better Grants.**

1. IN GENERAL.— The Secretary shall establish a formula grant program to provide eligible local labor markets, partial local labor markets, and local communities with flexible 10-year block grants for the purpose of creating quality jobs, providing resources to help local residents access opportunities and attain and retain employment, increasing local per capita incomes and prime-age employment rates, and driving long-term, sustained economic growth and opportunity in persistently distressed areas. In addition—
	1. The Secretary shall determine the timing for the opening and closing dates of each application cycle, with an application window of not less than 3 years for the first application cycle of the program established under this Act, and may extend the application window, accept late applications, initiate a new application cycle, and establish additional rules and regulations under this subsection;
	2. The Secretary may set annual limits on the number of applications for eligible local labor markets, partial local labor markets, and local communities and on the total amounts of awards approved provided that all eligible local labor markets, partial labor markets, and local communities that meet the criteria and application requirements established under this Act are considered within the application window in which they apply, and if the Secretary determines such limits are necessary to ensure that—
		1. the EDA can properly review applications and provide technical assistance and expertise to applicants as they develop their comprehensive economic development strategies and implement their programs; and
		2. the EDA can properly conduct its benchmark evaluations and meet its reporting requirements as described in Section 6;
	3. The Secretary shall give priority consideration to severely distressed eligible local labor markets and partial local labor markets; and
	4. The Secretary shall provide technical assistance to eligible applicable area to–
		1. Develop a comprehensive economic development strategy that meets the requirements subsection (b);
		2. Implement the programs and activities included in the comprehensive development strategy.
2. COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY. – In order to receive the grant established under this section, eligible local labor markets, partial local labor markets, and local communities shall submit applications to the Secretary that shall include a comprehensive economic development strategy providing the following information:
	1. an identification of the economic development problems to be addressed using the assistance;
	2. an identification of the past, present, and projected future economic development investments in the area receiving the assistance and public and private participants and sources of funding for the investments; and
	3. A 10-year comprehensive economic development strategy for addressing the economic challenges identified under paragraphs (1) and (2), and consistent with the eligible uses described in subsection (c) a manner that—
		1. Promotes long-term, sustained economic growth, opportunity, job creation, employment, and increased per capita income, and reduces the applicable prime-age employment gap;
		2. Creates jobs and connects local workers to opportunities;
		3. Maximizes effective development and use of the local workforce and provides accessible resources to support job attainment and retention,
	4. Identifies certain benchmarks criteria for use during benchmark evaluations, as described in Sec. 6, including, but not limited to, reducing the applicable prime age employment gap by certain amounts at periodic intervals, with the goal of reducing the prime-age employment gap by half at the close-out of the program, and other criteria established by the Secretary.
	5. Comprehensive economic development strategies may also include strategies to—
		1. Address inequality, such as racial and gender income, opportunity, and employment gaps,
		2. Support business development and entrepreneurship,
		3. Foster innovation and businesses, job creation, and workforce development in industries expected to continue and grow in the future.
	6. Applications shall also provide the following information:
		1. The total projected program cost, requested assistance, and justification for such amounts; and
		2. The roles and responsibilities of entities and subrecipients in carrying out activities under this Act; and
		3. The allocation of awarded amounts to subrecipients.
	7. APPROVAL OF PLANS.--The Secretary shall approve a comprehensive economic development strategy that meets the requirements of this section to the satisfaction of the Secretary.
3. ELIGIBLE USES.—Recipients and subrecipients may use assistance received under this Act to fund programs and activities that include--
	1. Business advice to small and medium-sized local businesses and entrepreneurs, including but not limited to manufacturing extension services, small business development centers, centers to help businesses bid for federal procurement contracts, and entrepreneurial assistance programs that link entrepreneurs with available government and private resources.
	2. Land and site development programs, such as brownfield redevelopment, research and technology parks, business incubators, business corridor development, and Main Street redevelopment.
	3. Infrastructure and housing, such as improvements in transit, roads, broadband access, and affordable housing development.
	4. Job training oriented to employer needs, such as customized job training programs run by local community colleges.
	5. Workforce outreach programs, such as those that are located in and reach out to lower-income and underemployed neighborhoods and embed job placement and training services in neighborhood institutions such as churches, housing projects, and community advocacy programs.
	6. Job retention programs and activities, such as job coaches in the community and/or at employers, access to childcare services, transportation support such as support for car repair to help workers get to their jobs, and others determined appropriate by the Secretary.
	7. Others uses deemed appropriate by the Secretary, including on a case-by-case basis. This may include allowing use of funds for proposed activities that would otherwise not be eligible if applicants make a clear, substantiated case for those activities and their direct impact on the program goals.
4. PLANNING ASSISTANCE—For the purposes of developing a comprehensive economic development strategy, the Secretary may—
	1. Advance a disbursement of the assistance established under this Act of up to [$300,000], but not exceeding [five] percent of the maximum grant amount an eligible local labor market or partial local labor market would be eligible for if the Secretary determines the authorized entity needs such assistance, and such assistance will be used effectively and for intended purposes.
	2. Amounts awarded for planning assistance will not be subject to non-federal matching requirements.
5. REGIONAL COMMISSIONS--If any part of an eligible local labor market, partial local labor market, or local community is in a region covered by one or more of the Regional Commissions, the Regional Commission may provide technical assistance and other support to the lead entity and other entities if applicable. The lead entity is encouraged to coordinate their comprehensive economic development strategy and the activities carried out under this Act with the activities of the Regional Commission, and shall ensure that a copy of the comprehensive economic development strategy of the applicable area is provided to the relevant Regional Commission.

**Sec. 6. Administration, Reporting, and Oversight**

1. BENCHMARK EVALUATIONS.—The Secretary shall establish a process to ensure grant recipients successfully execute projects outlined in their comprehensive economic development plan. Such evaluations shall be conducted three (3) years after the first award and every two (2) years after so long as a recipient receives assistance under the program established in this Act.
	1. EVALUATION CRITERIA—In conducting the evaluation under this subsection, the Secretary shall determine if the recipient has—
		1. Adhered to the timeline, projects, and activities identified in the comprehensive economic development strategy;
		2. made sufficient progress toward the benchmarks and objectives detailed in the strategic comprehensive economic development strategy;
		3. increased the overall employment rate, prime-age employment rate, median household income, and per capita earnings; and
		4. Met other criteria determined relevant by the Secretary.
2. MODIFICATIONS OF STRATEGIES.--At the direction of the Secretary, a recipient shall modify their comprehensive economic development strategies and activities if the Secretary determines the programs and activities carried out by the recipient and subrecipients are ineffective, performance metrics and criteria are not met, or funds are misused, and the Secretary may--
	1. adjust comprehensive economic development strategies and award additional amounts to a recipient up to the maximum amount available to the eligible applicable area subject to the availability of funds) if—
		1. Events or other factors beyond the recipient’s control significantly alter project circumstances or prevent the recipient from meeting the objectives and benchmarks of the comprehensive economic development strategy;
		2. Other labor market, economic, business, technology shifts, or other major factors as determined by the Secretary warrant any such modifications; and
	2. The Secretary may pause or terminate future assistance if—
		1. after a reasonable effort as determined by the Secretary, an agreement cannot be reached on any modifications recommended or required under this subsection;
		2. a gross, intentional misuse of funds, including any activities described in subsection (f)(6) if the entities or individuals responsible for such misuse are not removed from the project.
3. FINAL EVALUATION--The Secretary, in cooperation with the recipient and subrecipients, will conduct a formal final evaluation within one year after the close-out of the assistance to evaluate the success of the program.
	1. The Secretary shall establish criteria for use in conducting final evaluations, in addition to the criteria established under subsection (a) and comprehensive economic development strategy.
	2. The recipients shall cooperate with the Secretary and make available any information necessary for the evaluations to the Secretary for the final evaluation.
4. RECIPIENT REPORTING REQUIREMENTS--Recipients are subject to grant reporting requirements of 2 CFR 200, and the Secretary shall establish clear annual reporting requirements for grant recipients to gather the information necessary to conduct benchmark and final evaluations.
5. REPORT TO CONGRESS--The Secretary shall submit to Congress a comprehensive and detailed annual report which shall include—
	1. A summary assessment of the overall progress of the program and, as data becomes available, analysis of the effectiveness of the program;
	2. Labor market and economic metrics detailing the impact of the overall program, including any progress toward closing prime-age employment gaps and increase local earnings per capita,
	3. Detailed demographic breakdowns of the grant beneficiaries and labor market statistics;
	4. Summaries of each recipient’s benchmark evaluations as available;
	5. Identification and reason for rejection or deferment of applications by eligible entities, if any, including any annual award limits established by the Secretary in Section 5(a);
	6. Other details as determined appropriate by the Secretary.
6. The Secretary would have the same authorities as under the following sections of PWEDA in regards to the programs and activities established in this Act:
	1. Sec. 211. Use of funds in projects constructed under projected costs. (42 U.S.C. § 3151)
	2. Sec. 503. Consultation with other persons and agencies. (42 U.S.C. § 3193)
	3. Sec. 504. Administration, operation, and maintenance. (42 U.S.C. § 3194)
	4. Sec. 602. Maintenance of standards. (42 U.S.C. § 3212)
	5. Sec. 604. Delegation of functions and transfer of funds among federal agencies. (42 U.S.C. § 3214)
	6. Sec. 605. Penalties. (42 U.S.C. § 3215)
	7. Sec. 608. Records and audits. (42 U.S.C. § 3218)
	8. Sec. 610. Acceptance of certifications by applicants. (42 U.S.C. § 3220)

**Sec. 7. Program Authorizations, Grant Formulas, and Allocations**

1. This bill is effective upon the date of enactment.
2. AUTHORIZATION OF APPROPRIATIONS-- Authorizes $300,000,000,000 in FY2022 for the Build Back Better Grant (BBBG) program established under this Act, which would remain available until expended.
	1. At least 70 percent of total amounts made available for the BBBGs must be allocated based on the formula described in subsection (c)(1), and (2), and no more than 30 percent of total amounts may be allocated based on the formula described in (c)(3), except that such caps shall not apply to amounts awarded based on the formulas described in (c)(4) and (c)(5)(B).
	2. Funds awarded based on the formula described in subsection (c)(2) must be spent in or directly benefiting the residents of the census tracts within the local labor market or partial local labor market that meet the criteria described in.
	3. Not more than [0.05] percent of total amounts made available under this Act may be transferred to the “salary & expenses” account in each fiscal for administration and oversight activities related to this Act. The Secretary is authorized to appoint and fix the compensation of such temporary personnel as may be necessary to carry out and implement the activities and requirements under this Act, and may appoint such temporary personnel, after serving continuously for 2 years, to positions in the Economic Development Administration in the same manner that competitive service employees with competitive status are considered for transfer, reassignment, or promotion to such positions and an individual appointed under this provision shall become a career-conditional employee, unless the employee has already completed the service requirements for career tenure.
3. AWARD AMOUNTS-- Subject to cost-sharing requirements described in subsection (e) and projected costs and justifications required in Sec. 5(b)(6), eligible applicable areas shall be eligible to receive a maximum grant in accordance with the following:
	1. For eligible local labor markets, $70,585 multiplied by--
		1. The local labor market prime-age employment gap; and
		2. The local labor market prime-age population;
	2. For eligible partial local labor markets, $70,585 multiplied by—
		1. The lesser of local labor market prime-age employment gap or the partial local labor market prime-age employment gap; and
		2. The partial local labor market prime-age population.
	3. For eligible local communities, $53,600 multiplied by—
		1. The local community prime-age employment gap; and
		2. the local community prime-age employment rate.
	4. For eligible Indian tribes meeting the criteria described in Sec.4(a)(4), $70—85 multiplied by--
		1. The number of percentage points difference between the national five-year average prime-age employment rate and the five-year average prime-age employment rate of the Indian tribe; and
		2. The prime-age population of the Indian tribe;
	5. In a case in which a local community cooperation agreement as described under Sec. 4(d) is executed—
		1. Each eligible local community in a discrete local labor market shall be eligible to receive a maximum of the amounts as such communities would be eligible to receive on an independent basis in accordance with paragraph (3); and
		2. The Secretary may award up to an additional [ten percent] of the total amounts awarded under subparagraph (A) which the recipient may distribute to entities within the same discrete local labor market as the eligible local community that otherwise do not meet the eligibility requirements of Sec. 4(a) to be spent for purposes and activities in accordance with this Act.
4. OBLIGATION AND DISBURSEMENTS OF FUNDS--The full 10-year award amount for each recipient shall be obligated upon final approval of each application, and shall be disbursed annually over the subsequent 10-year period in a manner and amounts in accordance with the comprehensive economic development plan and subject to the approval of the Secretary.
	1. The funds may be disbursed directly to any subrecipient by the EDA or recipient, in accordance with the comprehensive economic development strategy and subject to approval by the Secretary.
5. COST SHARING—
	1. FEDERAL SHARE. – In general, the federal share of the cost of any activity or program carried out under this Act shall not exceed the lesser of 100 percent or the following:
		1. For eligible local labor markets --
			1. 50 percent for recipients with a local labor market prime-age employment gap of 2.5 percent or greater and less than three percent; and
			2. An additional 6.25 percent per local labor market prime-age employment gap percentage point of three percent or greater as further detailed in the below table:

|  |  |
| --- | --- |
| **Local labor market prime-age employment gap** | **Federal cost-share under clause (ii)** |
| <2.5% | N/A |
| 2.5% up to 3% | 50.00% |
| 3% up to 4% | 56.25% |
| 4% up to 5% | 62.50% |
| 5% up to 6% | 68.75% |
| 6% up to 7% | 75.00% |
| 7% up to 8% | 81.25% |
| 8% up to 9% | 87.50% |
| 9% up to 10% | 93.75% |
| 10%+ | 100.00% |

* + 1. For eligible partial local labor markets that are not eligible Indian tribes--
			1. 50 percent for recipients with the lesser of a local labor market prime-age employment gap or a partial local labor market prime-age employment gap of 2.5 percent or greater and less than three percent; and
			2. An additional 6.25 percent per percentage point of the lesser of a local labor market prime-age employment gap or a partial local labor market prime-age employment gap of three percent or greater, as further detailed in the below table:

|  |  |
| --- | --- |
| **Lesser of the local labor market or partial local labor market prime-age employment gap** | **Federal cost-share under clause (ii)** |
| <2.5% | N/A |
| 2.5% up to 3% | 50.00% |
| 3% up to 4% | 56.25% |
| 4% up to 5% | 62.50% |
| 5% up to 6% | 68.75% |
| 6% up to 7% | 75.00% |
| 7% up to 8% | 81.25% |
| 8% up to 9% | 87.50% |
| 9% up to 10% | 93.75% |
| 10%+ | 100.00% |

* + 1. For eligible Indian tribes described under Sec. 4(a)(4)--
			1. 50 percent for recipients with a prime-age employment rate that is 2.5 percent and up to three percent below the national prime-age employment rate; and
			2. An additional 6.25 percent per percentage point of the Indian tribe prime-age employment rate below the national prime-age employment rate where such difference is three percent or greater, as further detailed in the below table:

|  |  |
| --- | --- |
| **Difference between national and Indian tribe prime-age employment rate** | **Federal cost-share under clause (ii)** |
| <2.5% | N/A |
| 2.5% up to 3% | 50.00% |
| 3% up to 4% | 56.25% |
| 4% up to 5% | 62.50% |
| 5% up to 6% | 68.75% |
| 6% up to 7% | 75.00% |
| 7% up to 8% | 81.25% |
| 8% up to 9% | 87.50% |
| 9% up to 10% | 93.75% |
| 10%+ | 100.00% |

* + 1. For eligible local communities—
			1. 68.75 percent for recipients with a local community prime-age employment gap of greater than five percent and less than six percent; and
			2. An additional 6.25 percent per local community prime-age employment gap percentage point over six percent, and up to 100 percent as further detailed in the below table:

|  |  |
| --- | --- |
| **Local community prime-age employment gap** | **Federal cost-share under subparagraph (B)** |
| <5% | N/A |
| N/A | 50.00% |
| N/A | 56.25% |
| N/A | 62.50% |
| 5% up to 6% | 68.75% |
| 6% up to 7% | 75.00% |
| 7% up to 8% | 81.25% |
| 8% up to 9% | 87.50% |
| 9% up to 10% | 93.75% |
| 10%+ | 100.00% |

* + 1. Up to an additional 30 percent of the total cost for an eligible local labor market, partial local labor market, or Indian tribe described in Sec. 4(d)(4) and up to an addition 11.25 percent of the total cost for an eligible local community, based on the relative needs of the eligible applicable area or entity, as determined in accordance with regulations promulgated by the Secretary.
		2. Up to 100 percent of the total cost for grants made to Indian tribes and other eligible local labor markets, partial local labor markets, local communities, and entities that the Secretary determines have exhausted other reasonable financing and funding options and demonstrate a severe economic need.
	1. SPECIAL RULE.--In a case in which one or more eligible local communities executes a cooperation agreement described in Sec. 4(d), the federal cost-share such communities would be eligible to receive on an independent basis in accordance with paragraph (1)(D) shall not be reduced as a consequence of executing such an agreement; except that--
		1. For additional amounts awarded in accordance with Sec. 4(d)(2)(B) and distributed to subrecipients not otherwise eligible under Sec. 4(a), the Federal share for such additional funds shall be no more than 50 percent, and—
			1. Up to an additional 30 percent in accordance with paragraph (1)(E); and
			2. Up to 100 percent total in accordance with paragraph (1)(F).
	2. NON-FEDERAL SHARE. – In determining the amount of the non-Federal share of the cost of a project, the Secretary may provide credit toward the non-Federal share for all contributions both in cash and in-kind, fairly evaluated, including contributions of space, equipment, assumptions of debt, and services.
	3. REASSESSMENT OF COST-SHARING. – The federal and non-federal share determined for a grant under paragraphs (1) and (2) shall apply until the first benchmark evaluation interval as described in Sec. 6(a), at which point the Secretary shall reevaluate and determine the cost-share amounts, which shall be in effect until and reevaluated and, if applicable, adjusted at each subsequent interval. The federal share shall not decrease by more than 10 percent from the previous period at any such interval, and shall not decrease by more than 30 percent over the cumulative reevaluation intervals, and shall not be less than 50 percent.