

119TH CONGRESS
2D SESSION

S. _____

To establish the Artificial Intelligence Horizon Fund, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. KELLY introduced the following bill; which was read twice and referred
to the Committee on _____

A BILL

To establish the Artificial Intelligence Horizon Fund, 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 “Make AI Work for
5 Americans Act”.

6 **SEC. 2. TABLE OF CONTENTS.**

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- Sec. 601. Unified State plan.
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- Sec. 701. Accessibility.
- Sec. 702. National workforce competency initiative.
- Sec. 703. National clearinghouse for artificial intelligence education.
- Sec. 704. Artificial intelligence in the workplace.

1 **SEC. 3. DEFINITIONS.**

2 In this Act:

- 3 (1) ARTIFICIAL INTELLIGENCE.—The term “ar-
- 4 tificial intelligence” has the meaning given the term
- 5 in section 5002 of the National Artificial Intelligence
- 6 Initiative Act of 2020 (15 U.S.C. 9401).

1 (2) ARTIFICIAL INTELLIGENCE HORIZON
2 FUND.—The term “Artificial Intelligence Horizon
3 Fund” means the fund established under section
4 101(b)(1).

5 (3) ARTIFICIAL INTELLIGENCE ADVISORY
6 COUNCIL.—The term “Artificial Intelligence Advi-
7 sory Council” means the council established by sec-
8 tion 101(c)(1).

9 **TITLE I—ARTIFICIAL**
10 **INTELLIGENCE HORIZON FUND**

11 **SEC. 101. ARTIFICIAL INTELLIGENCE HORIZON FUND; ARTI-**
12 **FICIAL INTELLIGENCE ADVISORY COUNCIL.**

13 (a) DEFINITIONS.—In this section:

14 (1) COUNCIL.—The term “Council” means the
15 Artificial Intelligence Advisory Council.

16 (2) FUND.—The term “Fund” means the Arti-
17 ficial Intelligence Horizon Fund.

18 (b) ARTIFICIAL INTELLIGENCE HORIZON FUND.—

19 (1) ESTABLISHMENT.—There is established
20 within the Treasury of the United States a fund to
21 be known as the “Artificial Intelligence Horizon
22 Fund”, which shall be administered by the Secretary
23 of Labor to carry out the purposes described in
24 paragraph (2).

1 (2) PURPOSES.—The Fund is established to re-
2 ceive and maintain funds as may be deposited or ap-
3 propriated to the Fund to invest in programs, initia-
4 tives, projects, and other endeavors to expand eco-
5 nomic security, quality jobs, and community bene-
6 fits, while mitigating harms associated with in-
7 creased adoption of artificial intelligence, including
8 to—

9 (A) train workers for jobs that provide
10 family-sustaining pay and benefits in high-de-
11 mand careers that are resilient to projected fu-
12 ture economic disruptions caused by techno-
13 logical change, including artificial intelligence
14 and automation;

15 (B) help workers transition into entrepre-
16 neurial projects;

17 (C) promote wealth-building and business
18 ownership for working families;

19 (D) engage individuals in service and job-
20 training opportunities;

21 (E) ensure responsible development, de-
22 ployment, and use of artificial intelligence; and

23 (F) mitigate large-scale job loss from rapid
24 artificial intelligence adoption.

1 (3) TRANSFER AUTHORITY.—To carry out the
2 purposes of the Fund under paragraph (2) and in
3 accordance with the allocations under paragraph (5),
4 the Secretary of Labor may—

5 (A) transfer or merge amounts in the
6 Fund with accounts of the Department of
7 Labor; and

8 (B) transfer amounts in the Fund to the
9 accounts of other agencies.

10 (4) APPROPRIATIONS.—

11 (A) IN GENERAL.—In addition to amounts
12 otherwise available to the Fund, there are ap-
13 propriated, out of amounts in the Treasury not
14 otherwise appropriated, to the Fund—

15 (i) for each fiscal year beginning after
16 the date of enactment of this Act, the
17 amount equivalent to the taxes received in
18 the Treasury under chapter 50B of subtitle
19 D the Internal Revenue Code of 1986, as
20 added by title II of this Act; and

21 (ii) \$30,000,000,000, as a repayable
22 advance, to remain available until ex-
23 pended.

24 (B) REPAYMENT OF ADVANCE.—

1 (i) IN GENERAL.—The Secretary shall
2 deposit in the general fund of the Treasury
3 the amount described in clause (ii) for
4 each fiscal year that begins after the date
5 of enactment of this Act until the aggregate
6 amount deposited under this subparagraph
7 equals the amount that was appropriated
8 to the Fund under subparagraph
9 (A)(ii).

10 (ii) REPAYMENT AMOUNT.—The
11 amount described in this clause for a fiscal
12 year is the lesser of—

13 (I) 10 percent of the amount ap-
14 propriated to the Fund under sub-
15 paragraph (A)(i) for the fiscal year; or

16 (II) the difference between the
17 amount appropriated under subpara-
18 graph (A)(ii) minus the cumulative
19 amount of all deposits to the general
20 fund of the Treasury under this sub-
21 paragraph.

22 (iii) REPAYMENT TIMING.—Each de-
23 posit under this subparagraph shall be
24 made before the submission of the rec-

1 ommendations of the Council under sub-
2 section (c)(4) for the fiscal year.

3 (5) ALLOCATION AUTHORITY.—

4 (A) SUBMISSION OF COST ESTIMATES.—

5 The President shall submit to Congress as part
6 of the annual budget submission of the Presi-
7 dent under section 1105(a) of title 31, United
8 States Code, detailed allocations, by account,
9 program, and project, of the full amount avail-
10 able in the Fund as of the date of such submis-
11 sion in accordance with the recommendations of
12 the Council under subsection (c)(4).

13 (B) ALTERNATE ALLOCATION.—

14 (i) IN GENERAL.—The Committee on
15 Appropriations of the Senate and the Com-
16 mittee on Appropriations of the House of
17 Representatives may, in any Act making
18 full-year appropriations for the Depart-
19 ments of Labor, Health and Human Serv-
20 ices, and Education, and related agencies,
21 for a fiscal year, provide for alternate allo-
22 cations of amounts available in the Fund,
23 including by account, program, and
24 project, for that fiscal year consistent with
25 the purposes described in paragraph (2)

1 and the recommendations submitted under
2 subsection (c)(3)(A).

3 (ii) ALLOCATION BY PRESIDENT.—

4 (I) NO ALTERNATE ALLOCA-
5 TIONS.—If Congress has not enacted
6 legislation establishing alternate allo-
7 cations, including by account, pro-
8 gram, and project, by the date on
9 which the Act making full-year appro-
10 priations for the Departments of
11 Labor, Health and Human Services,
12 Education, and Related Agencies for
13 the applicable fiscal year is enacted
14 into law, the President shall allocate,
15 by account, program, and project, the
16 full amount available in the Fund as
17 of the date of such submission in ac-
18 cordance with detailed allocations sub-
19 mitted to Congress under subpara-
20 graph (A).

21 (II) INSUFFICIENT ALTERNATE
22 ALLOCATION.—If Congress enacts leg-
23 islation establishing alternate alloca-
24 tions, including by account, program,
25 and project, for amounts available in

1 the Fund that are less than the full
2 amount available in the Fund as of
3 the enactment of such legislation, the
4 difference between the amount appro-
5 priated and the alternate allocation
6 shall be allocated by the President,
7 consistent with the purposes described
8 in paragraph (2) and the rec-
9 ommendations under subsection
10 (c)(4).

11 (6) INSPECTOR GENERAL.—Out of the amounts
12 available in the Fund in any fiscal year, \$7,500,000
13 for the fiscal year shall be transferred to the Office
14 of Inspector General of the Department of Labor to
15 oversee expenditures from the Fund.

16 (c) ARTIFICIAL INTELLIGENCE ADVISORY COUN-
17 CIL.—

18 (1) ESTABLISHMENT.—There is established an
19 Artificial Intelligence Advisory Council.

20 (2) MISSION.—The Council shall provide inde-
21 pendent oversight and guidance to the President and
22 the Secretary of Labor for purposes of ensuring
23 amounts from the Fund are allocated in accordance
24 with paragraph (4)(B) and the purposes described in
25 subsection (b)(2).

1 (3) DETERMINATION OF SIGNIFICANT LABOR
2 MARKET DISRUPTION.—

3 (A) IN GENERAL.—The Council shall—

4 (i) regularly consider economic condi-
5 tions and labor market indicators to deter-
6 mine if a significant labor market disrup-
7 tion has occurred or is likely to occur in a
8 given fiscal year; and

9 (ii) make a declaration if the Council
10 determines that such a disruption has oc-
11 curred or is likely to occur and publish
12 such declaration in the Federal Register.

13 (B) CONDITIONS FOR CONSIDERATION.—
14 In order to make a determination described in
15 subparagraph (A), the Council shall consider—

16 (i) changes, or projected changes, in
17 the unemployment rate and labor force
18 participation rate;

19 (ii) unemployment compensation
20 claims and exhaustion of such benefits;

21 (iii) notices filed under the Worker
22 Adjustment and Retraining Notification
23 Act (29 U.S.C. 2101 et seq.);

1 (iv) job openings, hiring, separations,
2 involuntary part-time work, and other
3 measures of labor market turnover;

4 (v) changes in real wages;

5 (vi) sectors experiencing, or projected
6 to experience, accelerated contraction;

7 (vii) changes, or projected changes, in
8 the demand for labor, including changes
9 related to artificial intelligence, automa-
10 tion, or technological change; and

11 (viii) other changes in economic or
12 labor market conditions that the Council
13 determines appropriate to consider.

14 (C) SOURCES FOR CONSIDERATION.—The
15 consideration of the sources of information de-
16 scribed in subparagraph (B) shall include the
17 use of timely—

18 (i) Federal data available, including
19 data available from the Department of
20 Labor, the Bureau of Economic Analysis,
21 the Bureau of Labor Statistics, the Census
22 Bureau, and other relevant Federal
23 sources;

24 (ii) State data;

25 (iii) employer-provided data; and

1 (iv) information, data, and projections
2 provided by any source the Council deter-
3 mines appropriate.

4 (4) RECOMMENDATIONS FOR ALLOCATION OF
5 ARTIFICIAL INTELLIGENCE HORIZON FUND.—

6 (A) IN GENERAL.—Not later than 60 days
7 before the date on which the President submits
8 an annual budget under section 1105(a) of title
9 31, United States Code, the Council shall sub-
10 mit to the President a recommendation of how
11 the amounts in the Fund should be allocated
12 for the upcoming fiscal year.

13 (B) REQUIREMENTS.—In making a rec-
14 ommendation under subparagraph (A), the
15 Council—

16 (i) shall, if a determination has been
17 made in accordance with paragraph
18 (3)(A)—

19 (I) include in such recommenda-
20 tion a copy of the declaration made
21 under clause (ii) of such paragraph;
22 and

23 (II) provide in such recommenda-
24 tion that, at a minimum, the rec-
25 ommended allocation fully funds in-

1 creased payments to States under sec-
2 tion 903(k) of the Social Security Act,
3 as added by 502(b) of this Act, and
4 section 505 of this Act before allo-
5 cating any amounts under clause (ii);
6 and

7 (ii) may include in such recommenda-
8 tion amounts (in addition to the amounts
9 described in clause (i) if the determination
10 described in such clause has been made)
11 for—

12 (I) the workforce training pro-
13 grams described in the Workforce In-
14 novation and Opportunity Act (29
15 U.S.C. 3101 et seq.), as amended by
16 titles IV and VI;

17 (II) transfers to the Corporation
18 for National and Community Service
19 for grants under the National Service
20 for America's Future program estab-
21 lished under section 199P of the Na-
22 tional and Community Service Act of
23 1990 (as added by title III) and for
24 awarding completion awards in ac-

1 cordance with section
2 199R(c)(1)(B)(i) of such Act;

3 (III) the entrepreneurship pro-
4 grams under the amendments made
5 by title IV;

6 (IV) the programs under title V
7 (other than the provisions of such title
8 included in the recommendation under
9 clause (i)(II));

10 (V) the initiatives under title VII;

11 (VI) transfers to the National
12 Science Foundation for education and
13 research, including for research and
14 development or STEM education pro-
15 grams related to artificial intelligence,
16 including the National Artificial Intel-
17 ligence Research Resource;

18 (VII) transfers to the National
19 Telecommunications and Information
20 Administration for broadband deploy-
21 ment, and for programs to expand ac-
22 cess to internet service, devices, and
23 digital skills, in unserved and under-
24 served communities;

1 (VIII) transfers to the Creating
2 Helpful Incentives to Produce Semi-
3 conductors (CHIPS) for America
4 Fund under section 102(a) of the
5 CHIPS Act of 2022 (Public Law
6 117–167) or the Creating Helpful In-
7 centives to Produce Semiconductors
8 (CHIPS) for America Workforce and
9 Education Fund under section 102(d)
10 of such Act;

11 (IX) transfers to the National In-
12 stitute of Standards and Technology
13 for work carried out by the Center for
14 AI Standards and Innovation to pro-
15 vide for the safe, ethical, and respon-
16 sible development, deployment, and
17 use of artificial intelligence;

18 (X) transfers to the Department
19 of Education for grants related to ca-
20 reer and technical education, STEM
21 education, higher education programs,
22 educator preparation programs, dig-
23 ital infrastructure, data interoper-
24 ability, foundational literacy as it re-
25 lates to artificial intelligence, and the

1 implementation of resources, best
2 practices, and guidance hosted by the
3 National Clearinghouse for Artificial
4 Intelligence Education described in
5 section 703;

6 (XI) transfers to the Department
7 of Energy for financing through pro-
8 grams under title 17 of the Energy
9 Policy Act of 2005 (42 U.S.C. 16511
10 et. seq.) or programs under section
11 2602 of the Energy Policy Act of
12 1992 (25 U.S.C. 3502) ;

13 (XII) transfers to the Depart-
14 ment of Energy for research, develop-
15 ment, education, or workforce training
16 programs related to artificial intel-
17 ligence;

18 (XIII) transfers to the National
19 Labor Relations Board or the Na-
20 tional Mediation Board;

21 (XIV) transfers, for the collec-
22 tion, analysis, and publication of data
23 related to the impacts of artificial in-
24 telligence on the labor market, wages,

1 business formation, or economic out-
2 put, to—

3 (aa) the Bureau of Labor
4 Statistics;

5 (bb) the Bureau of the Cen-
6 sus; and

7 (cc) the Bureau of Economic
8 Analysis;

9 (XV) transfers to the National
10 Institutes of Health for research and
11 development, clinical infrastructure,
12 and workforce training related to
13 health and artificial intelligence; and

14 (XVI) transfers to the National
15 Institute on Aging of the National In-
16 stitutes of Health for research on the
17 impact of artificial intelligence on
18 older adults; and

19 (iii) may not—

20 (I) permit more than 3 percent of
21 the Fund to be used for administra-
22 tive expenses;

23 (II) recommend funding activities
24 that supplant funds otherwise avail-

1 able for such activities, or that dis-
2 place an existing employee or position;

3 (III) recommend an allocation
4 with respect to which a member of the
5 Council has a financial interest that
6 has not been disclosed and from which
7 the member has not recused;

8 (IV) recommend funding any re-
9 search, development, or deployment of
10 artificial intelligence technologies that
11 violate the privacy rights, civil rights,
12 or civil liberties of an individual, or
13 that discriminate against an indi-
14 vidual on the basis of a protected
15 characteristic;

16 (V) recommend funding for any
17 program or any activity that would
18 prevent compliance with, or result in
19 the violation of, any Federal, State, or
20 local labor, occupational safety and
21 health, employment, or disability law
22 or any other law;

23 (VI) recommend funding for any
24 program that uses artificial intel-
25 ligence systems, without the involve-

1 ment of a human, to make determina-
2 tions of benefits or eligibility, or that
3 prevents an individual from exercising
4 professional judgment to override an
5 automated determination or subjects
6 an individual to retaliation for doing
7 so;

8 (VII) recommend funding the de-
9 velopment or deployment of artificial
10 intelligence systems designed to dis-
11 place workers, rather than to augment
12 the capabilities of workers, improve
13 job quality, or improve workplace
14 health and safety; or

15 (VIII) recommend funding the
16 development or deployment of artifi-
17 cial intelligence systems or data collec-
18 tion activities used to surveil workers
19 or to interfere with the rights of indi-
20 viduals, including the rights to orga-
21 nize and collectively bargain or dis-
22 courage or prevent individuals from
23 exercising any right under the Na-
24 tional Labor Relations Act (29
25 U.S.C. 151 et seq.).

1 (C) CONSIDERATIONS.—The Council shall
2 consider any findings by the Office of Inspector
3 General of the Department of Labor (acting
4 using funding provided under subsection (b)(6))
5 in making recommendations for funding under
6 subparagraph (B)(ii) for any fiscal year after
7 such findings are made.

8 (D) REVIEW AND MODIFICATION BY THE
9 PRESIDENT.—

10 (i) IN GENERAL.—The President shall
11 review the recommended allocations from
12 the Council under subparagraph (A) and
13 may modify the recommendations of the
14 Council if—

15 (I) the modification complies with
16 subparagraph (B);

17 (II) the modification is necessary
18 to meet the purposes of the Fund de-
19 scribed in subsection (b)(2); and

20 (III) the President provides the
21 Council with a written justification ex-
22 plaining how the modification meets
23 such a purpose.

24 (ii) MODIFICATION.—Any modified
25 recommendations under clause (i) shall be

1 considered the recommendations of the
2 Council for purposes of this section.

3 (5) ROLE FOR THE OFFICE OF MANAGEMENT
4 AND BUDGET.—In supporting the development of
5 the Council's recommendations under paragraph (4)
6 and oversight of fund allocations under subsection
7 (b), the Director of the Office of Management and
8 Budget shall—

9 (A) provide the Council with quarterly re-
10 ports on the revenue projections of taxes re-
11 ceived in the Treasury under chapter 50B of
12 subtitle D the Internal Revenue Code of 1986
13 for purposes of determining the amount appro-
14 priated to the Fund under subsection (b)(4);

15 (B) provide the Council with quarterly re-
16 ports detailing expenditures from the Fund, as
17 allocated in prior fiscal years;

18 (C) assist the Council and the Secretary of
19 Labor in developing annual implementation and
20 performance plans to ensure consistent imple-
21 mentation of Fund allocations across the agen-
22 cies and programs which are allocated funding;
23 and

1 (D) provide the Council with any other
2 documentation, technical assistance, or requests
3 for information related to the Fund.

4 (6) MEMBERSHIP.—

5 (A) IN GENERAL.—The Council shall con-
6 sist of 15 individuals appointed in accordance
7 with this paragraph.

8 (B) EXPERTISE.—Each member of the
9 Council shall have particular expertise, knowl-
10 edge, and experience in matters relating to the
11 mission of the Council.

12 (C) COMPOSITION.—The Council shall be
13 comprised of the following individuals and rep-
14 resentatives:

15 (i) The Secretary of Labor or a des-
16 ignee.

17 (ii) The Secretary of Education or a
18 designee.

19 (iii) The Administrator of the Small
20 Business Administration or a designee.

21 (iv) The Chief Executive Officer of
22 AmeriCorps.

23 (v) The Head of the Directorate for
24 Computer and Information Science and

1 Engineering of the National Science Foun-
2 dation.

3 (vi) 10 members who are not officials
4 of the Federal Government, including—

5 (I) 2 individuals who represent
6 labor organizations, of whom—

7 (aa) 1 shall be appointed by
8 the Majority Leader of the Sen-
9 ate; and

10 (bb) 1 shall be appointed by
11 the Speaker of the House of Rep-
12 resentatives; and

13 (II) 8 individuals—

14 (aa) who have advanced
15 qualifications and are widely rec-
16 ognized as scholarly experts on
17 artificial intelligence, K–12 edu-
18 cation, higher education (includ-
19 ing as representatives of a minor-
20 ity-serving institution (as defined
21 in section 115(d)(2)(B) of the
22 Mutual Educational and Cultural
23 Exchange Act of 1961 (22
24 U.S.C. 2465(d)(2)(B))), commu-
25 nity service, civil rights, digital

1 equity, or workforce development
2 (including with respect to deliv-
3 ering workforce development pro-
4 grams at scale in areas related to
5 or affected by artificial intel-
6 ligence); and

7 (bb) of whom—

8 (AA) 2 shall be ap-
9 pointed by the Majority
10 Leader of the Senate;

11 (BB) 2 shall be ap-
12 pointed by the Minority
13 Leader of the Senate;

14 (CC) 2 shall be ap-
15 pointed by the Speaker of
16 the House of Representa-
17 tives; and

18 (DD) 2 shall be ap-
19 pointed by the Minority
20 Leader of the House of Rep-
21 resentatives.

22 (7) TERMS OF NON-FEDERAL OFFICIALS.—

23 (A) IN GENERAL.—The non-Federal offi-
24 cials appointed under paragraph (6)(C)(vi) shall

1 serve a term of 2 years beginning on the date
2 of the start of each new Congress.

3 (B) CONTINUATION OF TERM.—Such a
4 non-Federal official shall continue to serve on
5 the Council if a new individual is not appointed
6 to take their place on the Council after the
7 start of a new Congress until the new individual
8 is appointed.

9 (C) REMOVAL.—A non-Federal official
10 may not be removed from the Council before
11 the end of their term unless $\frac{3}{4}$ of the Council
12 votes to remove the individual from the Council
13 for cause.

14 (8) CHAIR; CO-CHAIR.—

15 (A) CHAIR.—The President shall designate
16 a chair of the Council, who shall—

17 (i) be an individual appointed under
18 clause (i), (ii), (iii), (iv), or (v) of para-
19 graph (6)(C); and

20 (ii) serve for a term of 2 years.

21 (B) CO-CHAIR.—The non-Federal officials
22 on the Council shall select from amongst them-
23 selves an individual to serve as co-chair for a
24 term of 2 years.

25 (9) REGULAR MEETINGS.—

1 (A) IN GENERAL.—The Council shall hold
2 regular meetings to solicit input from the public
3 and relevant stakeholders to inform the Coun-
4 cil’s recommended allocations under paragraph
5 (4).

6 (B) REGIONAL MEETINGS.—The Council
7 shall hold not fewer than 4 meetings per year
8 in geographically diverse regions of the United
9 States.

10 (C) PUBLIC PARTICIPATION.—The Council
11 shall take appropriate steps to allow members
12 of the public to participate and share concerns
13 relating to the mission of the Council.

14 (D) QUORUM.—Each meeting of the Coun-
15 cil shall be attended by the chair or co-chair
16 and not less than 1 out of every 3 members of
17 the Council.

18 (E) VOTING.—

19 (i) IN GENERAL.—The Council shall
20 vote on the allocations recommended by
21 the Council to the President under para-
22 graph (3).

23 (ii) VOTING BY PROXY.—Members of
24 the Council may vote by proxy.

1 (10) REPORTS.—Not later than 180 days after
2 the date of enactment of this Act, and every 90 days
3 thereafter, the Council shall—

4 (A) publish all grants and disbursements
5 using amounts from the Fund on a Federal
6 Government website accessible to the general
7 public;

8 (B) publish a report summarizing the feed-
9 back provided to the Council at each regular
10 meeting;

11 (C) submit a report on the accounting of
12 all assessments, collections, and disbursements
13 from the Fund for the reporting period to—

14 (i) the Committee on Health, Edu-
15 cation, Labor, and Pensions and the Com-
16 mittee on Appropriations of the Senate;
17 and

18 (ii) the Committee on Education and
19 Workforce and the Committee on Appro-
20 priations of the House of Representatives;

21 (D) publish an annual performance report
22 identifying data and evidence as to whether and
23 how the expenditures made out of the Fund
24 contributed to or accomplished the purposes of
25 the Fund under subsection (b)(2); and

1 (E) submit the report required under sub-
2 paragraph (B) to the Comptroller General of
3 the United States, which report shall include
4 accounting information as the Comptroller Gen-
5 eral may request.

6 **TITLE II—ARTIFICIAL INTEL-**
7 **LIGENCE INDUSTRY-GEN-**
8 **ERATED REVENUES**

9 **SEC. 201. DIGITAL ADVERTISING TAX.**

10 (a) IN GENERAL.—Subtitle D of the Internal Rev-
11 enue Code of 1986 is amended by adding at the end the
12 following new chapter:

13 **“CHAPTER 50B—ARTIFICIAL**
14 **INTELLIGENCE**

“Sec. 5000E-1. Digital advertising revenue.

15 **“SEC. 5000E-1. DIGITAL ADVERTISING REVENUE.**

16 “(a) IN GENERAL.—In addition to any other tax im-
17 posed under this title, there is hereby imposed on any cov-
18 ered taxpayer a tax equal to 5 percent of the amount of
19 any digital advertising revenue received by such covered
20 taxpayer during any taxable year which is derived from
21 digital advertisements displayed to United States users.

22 “(b) COVERED TAXPAYER.—

1 “(1) IN GENERAL.—For purposes of this sec-
2 tion, the term ‘covered taxpayer’ means, with respect
3 to any taxable year, any taxpayer for which—

4 “(A)(i) total revenue from sources within
5 and without the United States during such tax-
6 able year exceeded \$50,000,000,000, or

7 “(ii) total revenue from sources within the
8 United States during such taxable year exceed-
9 ed \$1,000,000,000, and

10 “(B) digital advertising revenue during
11 such taxable year which is derived from digital
12 advertisements displayed to United States users
13 exceeded \$50,000,000.

14 “(2) AGGREGATION RULES.—

15 “(A) IN GENERAL.—All persons treated as
16 a single employer under subsection (a) or (b) of
17 section 52 or subsection (m) or (o) of section
18 414, shall be treated as 1 taxpayer for purposes
19 of this subsection.

20 “(B) INCLUSION OF FOREIGN CORPORA-
21 TIONS.—For purposes of subparagraph (A), in
22 applying subsections (a) and (b) of section 52
23 to this paragraph, section 1563 shall be applied
24 without regard to subsection (b)(2)(C) thereof.

25 “(c) OTHER DEFINITIONS.—In this section—

1 “(1) DIGITAL ADVERTISING REVENUE.—The
2 term ‘digital advertising revenue’ means gross rev-
3 enue derived from, or directly related to, the sale of
4 a digital advertising service.

5 “(2) DIGITAL ADVERTISING SERVICE.—The
6 term ‘digital advertising service’ means a service,
7 provided for a fee, to deliver an advertisement or
8 promotional message to a user through a digital
9 interface, including services such as—

10 “(A) placing, displaying, transmitting,
11 serving, delivering, selecting, ranking, targeting,
12 optimizing, or otherwise distributing such ad-
13 vertisement or promotional message,

14 “(B) selling, licensing, allocating, or auc-
15 tioning digital advertising inventory,

16 “(C) operating an advertising exchange,
17 demand-side platform, supply-side platform, ad-
18 vertising network, retail-media network, or sub-
19 stantially similar system to the extent consider-
20 ation is attributable to the placement, auction,
21 delivery, or distribution of such advertisement
22 or promotional message, or

23 “(D) any other similar service for the
24 placement or delivery of such advertisement or

1 promotional message, as may be designated by
2 the Secretary for purposes of this section.

3 “(3) DIGITAL INTERFACE.—The term ‘digital
4 interface’ includes a website, mobile application, on-
5 line application, streaming service, and other elec-
6 tronically accessed interface operating on the inter-
7 net.

8 “(4) UNITED STATES USER.—The term ‘United
9 States user’ means a user based in the United
10 States, as determined based on—

11 “(A) reliable device geolocation, as used in
12 the ordinary course of business, for determining
13 the location of a user,

14 “(B) operation of a user’s device through
15 an Internet Protocol address based in the
16 United States,

17 “(C) billing address,

18 “(D) business customer location,

19 “(E) location in which an digital adver-
20 tising service was used, or

21 “(F) such other methods as may be pre-
22 scribed by the Secretary.

23 “(d) PAYMENT OF TAX.—

1 “(1) IN GENERAL.—The tax imposed by this
2 section shall be paid by the covered taxpayer that re-
3 ceived the digital advertising revenue.

“(2) RULE OF CONSTRUCTION WITH REGARD
TO CERTAIN PENALTIES.—The penalties imposed
under section 6652 for failure to make deposits of
tax and under section 6662 for underpayment of tax
shall apply with respect to the tax imposed under
this section in the same manner as such sections are
applied to other excise taxes imposed under this
title.

12 “(e) **PRIVACY RULE.**—No provision of this section
13 shall be deemed to require a person to collect precise
14 geolocation, communications content, or other sensitive
15 personal information that such person does not otherwise
16 collect in the ordinary course of business.

17 “(f) RETURN REQUIREMENTS.—

“(1) IN GENERAL.—The Secretary shall require any applicable entity to file a return (in such manner as the Secretary may prescribe) with respect to each taxable year that includes the following:

22 “(A) Total revenue.

23 “(B) Total digital advertising revenue that
24 was attributable to United States users.

1 “(C) Methods of determination for United
2 States users for purposes of subsection (c)(4).

3 “(D) Any entities included pursuant to
4 subsection (b)(2).

5 “(E) Any other information, as identified
6 by the Secretary pursuant to regulations issued
7 pursuant to subsection (g).

8 “(2) APPLICABLE ENTITY.—For purposes of
9 this subsection, the term ‘applicable entity’ means
10 an entity which satisfies the requirements under
11 subparagraphs (A) and (B) of subsection (b)(1), ex-
12 cept that subparagraph (B) of such subsection shall
13 be applied by substituting ‘\$40,000,000’ for
14 ‘\$50,000,000’.

15 “(g) REGULATIONS.—Not later than 18 months after
16 the date of enactment of this section, the Secretary, in
17 consultation with the Secretary of Commerce, shall issue
18 such regulations as may be necessary or appropriate to
19 carry out the purposes of this section.”.

20 (b) CLERICAL AMENDMENT.—The table of chapters
21 for subtitle D of the Internal Revenue Code of 1986 is
22 amended by inserting after the item relating to chapter
23 50A the following new item:

 “CHAPTER 50B—ARTIFICIAL INTELLIGENCE”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply with respect to any taxable year
3 beginning after December 31, 2026.

4 **SEC. 202. ARTIFICIAL INTELLIGENCE USAGE TAX.**

5 (a) IN GENERAL.—Chapter 50B of subtitle D of the
6 Internal Revenue Code of 1986, as added by this Act, is
7 amended by adding at the end the following new section:

8 **“SEC. 5000E-2. ARTIFICIAL INTELLIGENCE SERVICES.**

9 “(a) IMPOSITION OF TAX.—

10 “(1) IN GENERAL.—There is hereby imposed a
11 tax on any covered artificial intelligence processing
12 service which is utilized by a covered user for the
13 generation of content.

14 “(2) RATE OF TAX.—The rate of tax imposed
15 by this subsection with respect to any content gen-
16 erated by a covered artificial intelligence processing
17 service shall be \$1.10 per 1,000,000 units of com-
18 putational processing with respect to such content.

19 “(3) EXEMPTION.—With respect to each cov-
20 ered user, this subsection shall not apply to the first
21 1,000,000 units of computational processing for any
22 content generated by a covered artificial intelligence
23 processing service which is utilized by such covered
24 user during a calendar year.

25 “(b) LIABILITY AND COLLECTION.—

1 “(1) LIABILITY.—Subject to paragraph (3), the
2 tax imposed by subsection (a) shall be paid by the
3 covered user.

4 “(2) COLLECTION.—The provider of the cov-
5 ered artificial intelligence processing service for
6 which a tax is imposed under subsection (a) shall—

7 “(A) subject to paragraph (3), collect the
8 amount of the tax from the covered user, and

9 “(B) remit such tax quarterly to the Sec-
10 retary at such time and in such manner as pro-
11 vided by the Secretary.

12 “(3) ELECTION TO PAY TAX ON BEHALF OF
13 COVERED USERS.—At the election of the provider (in
14 such form and such manner as the Secretary may
15 provide), the tax imposed by subsection (a) with re-
16 spect to any content generated by a covered artificial
17 intelligence processing service shall be paid by such
18 provider.

19 “(c) CREDIT AGAINST TAX.—

20 “(1) IN GENERAL.—In the case of a provider
21 that makes an election under subsection (b)(3) with
22 respect to any content generated by a covered artifi-
23 cial intelligence processing service which is utilized
24 by a qualified covered user for non-commercial pur-
25 poses, there shall be allowed as a credit against any

1 of the taxes imposed by this chapter an amount
2 equal to the tax paid by such provider pursuant to
3 the election under such subsection, with such credit
4 to be allocated by the taxpayer against such taxes—

5 “(A) in such respective amount as is deter-
6 mined appropriate by the taxpayer, and

7 “(B) in compliance with paragraph (3).

8 “(2) QUALIFIED COVERED USER.—For pur-
9 poses of this subsection, the term ‘qualified covered
10 user’ means—

11 “(A) an institution of higher education (as
12 defined in section 101(a) of the Higher Edu-
13 cation Act of 1965 (20 U.S.C. 1001(a)), and

14 “(B) a research organization described in
15 section 501(c)(3) and exempt from tax under
16 section 501(a).

17 “(3) LIMITATION ON CREDIT.—

18 “(A) TAXES ON DIGITAL ADVERTISING
19 REVENUE AND EXCESS PROFITS FROM ARTIFI-
20 CIAL INTELLIGENCE DEVELOPMENT.—With re-
21 spect to the tax imposed under section 5000E–
22 1 or section 5000E–3, the amount of the credit
23 allowable to a taxpayer under paragraph (1)
24 against the tax imposed under either such sec-
25 tion for any taxable year shall not exceed an

1 amount equal to 10 percent of the tax imposed
2 under such section for such taxable year.

3 “(B) TAX ON ARTIFICIAL INTELLIGENCE
4 SERVICES.—With respect to the tax imposed
5 under subsection (a), the amount of the credit
6 allowable to a taxpayer under paragraph (1)
7 against such tax for any calendar year shall not
8 exceed 10 percent of the tax imposed under
9 such subsection during such calendar year.

10 “(d) DEFINITIONS.—In this section—

11 “(1) COVERED ARTIFICIAL INTELLIGENCE
12 PROCESSING SERVICE.—The term ‘covered artificial
13 intelligence processing service’ means any service
14 that—

15 “(A) utilizes a machine learning model ca-
16 pable of generating, transforming, or analyzing
17 content, and

18 “(B) processes user-provided inputs to
19 produce an output.

20 “(2) COVERED USER.—The term ‘covered user’
21 means any person who utilizes a covered artificial in-
22 telligence processing service.

23 “(3) PROVIDER.—The term ‘provider’ means
24 the person providing access to covered users for uti-

1 lization of the covered artificial intelligence proc-
2 essing service.

3 “(4) UNIT OF COMPUTATIONAL PROCESSING.—

4 The term ‘unit of computational processing’ means
5 a unit of digital information defined as 10 kilobytes
6 of binary data.

7 “(e) REGULATIONS AND GUIDANCE.—Not later than
8 12 months after the date of enactment of this section, the
9 Secretary shall issue such regulations or other guidance
10 as may be necessary or appropriate to carry out the pur-
11 poses of this section, including any regulations or guidance
12 as may be necessary to—

13 “(1) standardize measurement of computational
14 processing units across types of artificial intelligence
15 models,

16 “(2) prevent avoidance through pricing struc-
17 tures or technical definitions,

18 “(3) ensure administrability and compliance,
19 and

20 “(4) define non-commercial purposes with re-
21 spect to subsection (c).”.

22 (b) PENALTIES.—Section 6672 of the Internal Rev-
23 enue Code of 1986 is amended by adding at the end the
24 following new subsection:

1 “(f) SPECIAL RULE FOR FAILURE TO COLLECT AND
2 PAY EXCISE TAX ON CONTENT GENERATED BY ARTIFI-
3 CIAL INTELLIGENCE.—In the case of any failure described
4 in subsection (a) which relates to the tax imposed under
5 section 5000E–2(a), the penalty under subsection (a) shall
6 be increased by an amount equal to 200 percent of the
7 amount of such tax.”.

8 (c) CLERICAL AMENDMENT.—The table of sections
9 for chapter 50B of subtitle D of the Internal Revenue
10 Code of 1986 is amended by adding at the end the fol-
11 lowing new item:

“Sec. 5000E–2. Content generated by artificial intelligence.”.

12 (d) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to any covered artificial intelligence
14 processing service (as defined in section 5000E–2(d) of
15 the Internal Revenue Code of 1986) utilized after Decem-
16 ber 31, 2026.

17 **SEC. 203. ARTIFICIAL INTELLIGENCE EXCESS PROFITS TAX.**

18 (a) IN GENERAL.—Chapter 50B of subtitle D of the
19 Internal Revenue Code of 1986, as added by this Act, is
20 amended by adding at the end the following new section:

21 **“SEC. 5000E–3. EXCESS PROFITS FROM ARTIFICIAL INTEL-
22 LIGENCE DEVELOPMENT.**

23 “(a) IN GENERAL.—In addition to any other tax im-
24 posed under this title, there is hereby imposed on any cov-

1 ered taxpayer a tax of 50 percent of the excess (if any)
2 of—

3 “(1) the taxable income of such covered tax-
4 payer for any taxable year, over

5 “(2) an amount equal to 40 percent of the
6 gross receipts of such covered taxpayer for such tax-
7 able year.

8 “(b) DEFINITIONS.—For purposes of this section—

9 “(1) COVERED TAXPAYER.—

10 “(A) IN GENERAL.—The term ‘covered
11 taxpayer’ means, with respect to any taxable
12 year, any taxpayer—

13 “(i) for which total revenue during
14 such taxable year exceeded \$100,000,000,
15 and which—

16 “(I) was engaged in—

17 “(aa) developing and train-
18 ing an artificial intelligence
19 model that is machine learning,
20 deep learning, or generative arti-
21 ficial intelligence, or

22 “(bb) developing artificial
23 intelligence technology based on a
24 trained artificial intelligence
25 model, or

1 “(II) was a covered AI electricity
2 user for the taxable year preceding
3 such taxable year, or

4 “(ii) which, during such taxable year,
5 derived greater than \$100,000,000 in rev-
6 enue from providing computing for—

7 “(I) the development and train-
8 ing of an artificial intelligence model,

9 “(II) the development of artificial
10 intelligence technology based on a
11 trained artificial intelligence model, or

12 “(III) the deployment or use of—

13 “(aa) an artificial intel-
14 ligence model, or

15 “(bb) technologies based on
16 an artificial intelligence model,
17 including autonomous systems
18 that can perceive, understand,
19 perform, or orchestrate complex
20 actions in the physical world.

21 “(B) AGGREGATION RULES.—

22 “(i) IN GENERAL.—All persons treat-
23 ed as a single employer under subsection
24 (a) or (b) of section 52 or subsection (m)

1 or (o) of section 414, shall be treated as 1
2 person for purposes of this paragraph.

3 “(ii) INCLUSION OF FOREIGN COR-
4 PORATIONS.—For purposes of clause (i), in
5 applying subsections (a) and (b) of section
6 52 to this paragraph, section 1563 shall be
7 applied without regard to subsection
8 (b)(2)(C) thereof.

9 “(2) COVERED AI ELECTRICITY USER.—

10 “(A) IN GENERAL.—The term ‘covered AI
11 electricity user’ means any person which, for
12 any taxable year—

13 “(i) consumed electricity for any of
14 the activities described in subclause (I) or
15 (II) of subparagraph (A)(i), and

16 “(ii) with respect to such activities—

17 “(I) had an average electrical
18 load of greater than 50 megawatts
19 during any period of 30 consecutive
20 days during such taxable year, or

21 “(II) consumed greater than
22 400,000,000 kilowatt hours of elec-
23 tricity.

24 “(B) ADDITIONAL AGGREGATION RULES.—

25 Pursuant to such rules as are prescribed by the

1 Secretary, any electricity consumed for any of
2 the activities described in subclause (I) or (II)
3 of subparagraph (A)(i)—

4 “(i) by any entities under common
5 control (within the meaning of subsections
6 (a) and (b) of section 52), or

7 “(ii) through a data center, cloud
8 computing service, colocation agreement,
9 or other third-party computing arrange-
10 ment,

11 shall be aggregated for purposes of subpara-
12 graph (A).

13 “(c) REGULATIONS AND GUIDANCE.—The Secretary
14 shall issue such regulations or other guidance as may be
15 necessary or appropriate to carry out the purposes of this
16 section, including any regulations or guidance with respect
17 to the filing of the return of tax imposed by this section.”.

18 (b) CLERICAL AMENDMENT.—The table of sections
19 for chapter 50B of subtitle D of the Internal Revenue
20 Code of 1986 is amended by adding at the end the fol-
21 lowing new item:

“Sec. 5000E–3. Excess profits from artificial intelligence development.”.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to taxable years beginning after
24 December 31, 2026.

1 **TITLE III—NATIONAL SERVICE**
2 **FOR AMERICA**

3 **SEC. 301. NATIONAL SERVICE FOR AMERICA’S FUTURE**
4 **PROGRAM.**

5 (a) IN GENERAL.—Title I of the National and Com-
6 munity Service Act of 1990 (42 U.S.C. 12511 et seq.) is
7 amended by adding at the end the following:

8 **“Subtitle K—National Service for**
9 **America’s Future Program**

10 **“SEC. 1990. PURPOSE; DEFINITIONS.**

11 “(a) PURPOSE.—The purposes of the National Serv-
12 ice for America’s Future program established under sec-
13 tion 199P(a) are to—

14 “(1) create paid service-to-career pathways into
15 jobs that require human judgment, trust, physical
16 presence, communication, empathy, and relationship-
17 based work; and

18 “(2) benefit participants, States, employers,
19 and communities by—

20 “(A) creating paid on-ramps into human-
21 centered jobs for early-career workers, displaced
22 workers, unemployed or underemployed work-
23 ers, individuals returning to the workforce, and
24 mid-career workers seeking to move into less
25 artificial intelligence-exposed fields;

1 “(B) integrating national service with the
2 Workforce Innovation and Opportunity Act (29
3 U.S.C. 3101 et seq.), so participants can be
4 connected to a one-stop center, screened for eli-
5 gibility and co-enrolled (as eligible) in programs
6 under such Act, and referred to eligible pro-
7 viders of training services under section 122 of
8 such Act (29 U.S.C. 3152), apprenticeship pro-
9 grams, pre-apprenticeships, community colleges,
10 and employment pathways;

11 “(C) requiring a documented workforce
12 outcome for every funded position, such as
13 placement in or credit towards an apprentice-
14 ship program, pre-apprenticeship completion, an
15 industry-recognized credential, certification, li-
16 censure support, clinical or supervised practice
17 hours, postsecondary credit, or employment in
18 an eligible service field; and

19 “(D) helping States address workforce
20 shortages in human-facing and community-serv-
21 ing fields while allowing State Commissions and
22 State boards to tailor plans to State and re-
23 gional labor-market needs.

24 “(b) DEFINITIONS.—For purposes of this subtitle:

1 “(1) ARTIFICIAL INTELLIGENCE; ARTIFICIAL
2 INTELLIGENCE HORIZON FUND; ARTIFICIAL INTEL-
3 LIGENCE ADVISORY COUNCIL.—The terms ‘artificial
4 intelligence’, ‘Artificial Intelligence Horizon Fund’,
5 and ‘Artificial Intelligence Advisory Council’ have
6 the meanings given such terms in section 3 of the
7 Make AI Work for Americans Act.

8 “(2) APPRENTICESHIP PROGRAM.—The term
9 ‘apprenticeship program’ means an apprenticeship
10 registered under the Act of August 16, 1937 (com-
11 monly known as the ‘National Apprenticeship Act’;
12 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.).

13 “(3) ELIGIBLE HOST SITE.—

14 “(A) IN GENERAL.—Except as provided in
15 subparagraph (B), the term ‘eligible host site’
16 means any entity operating in an eligible service
17 field that is a nonprofit entity, public agency,
18 institution of higher education (as defined in
19 section 101 of the Higher Education Act of
20 1965 (20 U.S.C. 1001)), public health entity,
21 care provider, education provider, or business
22 organized for profit that is approved by a State
23 under section 199Q(e).

24 “(B) EXCLUSIONS.—The term ‘eligible
25 host site’ does not include any entity that is—

1 “(i) a business organized for profit,
2 other than such a business that is ap-
3 proved by a State under section 199Q(e);

4 “(ii) a partisan political organization;

5 “(iii) an organization engaged in reli-
6 gious activities, unless the service of a par-
7 ticipant with such entity would not in-
8 volve—

9 “(I) giving religious instruction;

10 “(II) conducting worship serv-
11 ices;

12 “(III) providing instruction as
13 part of a program that includes man-
14 datory religious education or worship;

15 “(IV) constructing or operating
16 facilities devoted to religious instruc-
17 tion or worship or maintaining facili-
18 ties primarily or inherently devoted to
19 religious instruction or worship; or

20 “(V) engaging in any form of
21 proselytization;

22 “(iv) a nonprofit organization that
23 fails to comply with the restrictions con-
24 tained in section 501(c) of the Internal
25 Revenue Code of 1986 (26 U.S.C. 501(c)),

1 except that nothing in this subparagraph
2 shall be construed to prevent participants
3 with such entity from engaging in advocacy
4 activities undertaken at their own initia-
5 tive; or

6 “(v) an organization that has been
7 found by the National Labor Relations
8 Board or Federal Labor Relations Author-
9 ity to have violated the National Labor Re-
10 lations Act or title 5, United States Code,
11 respectively, within the preceding 5 years.

12 “(4) ELIGIBLE SERVICE FIELD.—The term ‘eli-
13 gible service field’ includes any human-facing and
14 community-serving sector.

15 “(5) LOCAL BOARD.—The term ‘local board’
16 has the meaning given such term in section 3 of the
17 Workforce Innovation and Opportunity Act (29
18 U.S.C. 3102).

19 “(6) ONE-STOP CENTER.—The term ‘one-stop
20 center’ has the meaning given such term in such sec-
21 tion of such Act.

22 “(7) SECRETARY.—The term ‘Secretary’ means
23 the Secretary of Labor.

24 “(8) SERVICE-TO-CAREER PATHWAY.—The
25 term ‘service-to-career pathway’ means a paid serv-

1 ice placement for a participant in an activity funded
2 under section 199Q, at an eligible host site in an eli-
3 gible service field, that provides meaningful and oc-
4 cupation-relevant training, skill development, or
5 work-based learning and results in a documented
6 workforce outcome, including—

7 “(A) placement in a registered apprentice-
8 ship program or completion, or credit toward
9 completion, of such a program;

10 “(B) completion of a high-quality pre-ap-
11 prenticeship program;

12 “(C) obtaining an industry-recognized cre-
13 dential;

14 “(D) obtaining a State or nationally recog-
15 nized certification;

16 “(E) obtaining licensure or licensing exam
17 preparation;

18 “(F) obtaining clinical, practicum, or su-
19 pervised practice hours;

20 “(G) obtaining credit from a public institu-
21 tion of higher education (as defined in section
22 101(a) of the Higher Education Act (20 U.S.C.
23 1001(a));

24 “(H) obtaining employment; or

1 “(I) another recognized workforce outcome
2 approved by the Artificial Intelligence Advisory
3 Council under the national program framework.

4 “(9) STATE BOARD.—The term ‘State board’
5 has the meaning given such term in such section of
6 such Act.

7 **“SEC. 199P. ESTABLISHMENT OF NATIONAL SERVICE FOR**
8 **AMERICA’S FUTURE PROGRAM.**

9 “(a) IN GENERAL.—There is established a National
10 Service for America’s Future program as provided under
11 this subtitle.

12 “(b) PROGRAM FRAMEWORK.—The Artificial Intel-
13 ligence Advisory Council shall establish a national pro-
14 gram framework for applications by States under section
15 199Q that establishes minimum standards and outcomes
16 (while providing States flexibility to design pathways ap-
17 propriate to State and regional workforce needs, eligible
18 service fields, participant populations, and occupations),
19 including—

20 “(1) national priorities for service-to-career
21 pathways, based on occupations and eligible service
22 fields experiencing a shortage of workers throughout
23 the United States, which a State may consider ad-
24 dressing in the National Service for America’s Fu-
25 ture plan of the State;

1 “(2) expectations regarding the training or
2 reskilling the State shall provide participants as part
3 of a service placement regarding—

4 “(A) durable skills; and

5 “(B) as appropriate to the service-to-career
6 pathway, occupation, or eligible service field—

7 “(i) artificial intelligence literacy;

8 “(ii) artificial intelligence fluency; and

9 “(iii) other relevant digital or techno-
10 logical skills;

11 “(3) requirements for coordination and integra-
12 tion, as appropriate, of activities carried out by a
13 State under the grant program with programs under
14 the Workforce Innovation and Opportunity Act,
15 while providing States flexibility in the mechanisms
16 used to achieve such integration based on partici-
17 pant needs, pathway design, and existing State and
18 local workforce systems;

19 “(4) recognized workforce outcomes for service-
20 to-career pathways under section 1990(b)(8)(I);

21 “(5) national guardrails for such States for
22 purposes of establishing the amount that an eligible
23 host site that supports a paid service placement of
24 a participant will be required to provide as a cost-
25 share amount for the participant (which may include

1 a process for the State to waive, reduce, or increase
2 such amount based on the capacity and resources for
3 the eligible host site, including for an eligible host
4 site that is small, in a rural area, associated with an
5 Indian tribe, a nonprofit, in a high-poverty area, or
6 otherwise is underresourced);

7 “(6) requirements and procedures relating to—

8 “(A) States that elect to coordinate with
9 one or more other States, including through
10 joint solicitations, shared review of applications
11 for subgrants, joint agreements with eligible
12 host sites, or coordinated support of a common
13 host site, and the manner in which each such
14 State remains accountable for the amounts pro-
15 vided to such State under section 199Q; and

16 “(B) host sites or subgrantees that re-
17 ceives a subgrant under section 199Q(d)(3)
18 that seek to carry out activities under this sub-
19 title in more than one State, including a com-
20 mon format for the organizational, financial,
21 and past performance information required of
22 such an entity, which a State shall accept in
23 lieu of any State-specific format for such infor-
24 mation, and a common format for reporting by
25 such an entity; and

1 “(7) requirements for State reporting metrics
2 for purposes of the report under section 199T(a).

3 “(c) UPDATES FOR NATIONAL PRIORITIES.—The Ar-
4 tificial Intelligence Advisory Council shall review and an-
5 nually update the priorities under subsection (b)(1).

6 “(d) RULE OF CONSTRUCTION.—Nothing in this sub-
7 title shall be construed to require a State to use a single
8 service placement or program model or to prohibit a State
9 from supporting individual placement, cohort-based, crew-
10 based, intermediary, apprenticeship, or pre-apprenticeship
11 models or other service-to-career pathway models under
12 this subtitle that otherwise satisfy the requirements under
13 this section.

14 **“SEC. 199Q. NATIONAL SERVICE FOR AMERICA’S FUTURE**
15 **GRANTS.**

16 “(a) IN GENERAL.—Subject to the availability of
17 funds allocated from the Artificial Intelligence Horizon
18 Fund for purposes of awarding grants under this subtitle,
19 the Corporation shall, in accordance with the formula
20 under subsection (c), award grants to States with an ap-
21 proved application under subsection (b) to carry out the
22 activities described in subsection (d).

23 “(b) APPLICATION.—

24 “(1) IN GENERAL.—For each State that sub-
25 mits an application under this subsection for a grant

1 under subsection (a), the Corporation and the Sec-
2 retary shall jointly—

3 “(A) approve such application if the appli-
4 cation satisfies the requirements of the national
5 program framework established under section
6 199P(b); or

7 “(B) if the Corporation and Secretary de-
8 termines the application is unsatisfactory, reject
9 such application, notify the State Commission
10 of the State of the reasons for the rejection,
11 and provide such State with reasonable oppor-
12 tunity to revise (with technical assistance from
13 the Corporation and Secretary, if appropriate)
14 and resubmit such application.

15 “(2) REQUIREMENTS.—A State seeking a grant
16 under subsection (a) shall, through the State Com-
17 mission of the State acting jointly with the State
18 board and State workforce agency of the State, sub-
19 mit an application to the Corporation and the Sec-
20 retary at such time, in such manner, and containing
21 such information as the Corporation may reasonably
22 require, including—

23 “(A) a National Service for America’s Fu-
24 ture plan that—

1 “(i) describes how the State intends
2 to use the grant, in accordance with the
3 national program framework established
4 under section 199P(b), to support paid
5 service placements of participants in the
6 program in service-to-career pathways;

7 “(ii) describes the criteria the State
8 will use to approve eligible host sites under
9 subsection (d)(2) and the terms the State
10 will require in an agreement with each
11 such site, including—

12 “(I) requirements relating to su-
13 pervision, training, workplace safety,
14 and nondiscrimination; and

15 “(II) the amount, in accordance
16 with the national guardrails estab-
17 lished in the national program frame-
18 work, that the site will be required to
19 provide as a cost-share amount for the
20 participant;

21 “(iii) identifies the eligible service
22 fields the State will support under the
23 plan, and describes how the State selected
24 such fields, including the State and re-

1 gional labor market data on which the
2 State relied;

3 “(iv) describes the terms of service for
4 participants under the plan, including the
5 minimum and maximum number of service
6 hours for such terms;

7 “(v) describes how the State will re-
8 cruit and select participants, including how
9 the State will apply the priorities described
10 in section 199R(b); and

11 “(vi) describes how the State will pro-
12 vide the training described in section
13 199P(b)(2), including the entities that will
14 provide such training;

15 “(vii) describes how the State will
16 verify and document the workforce out-
17 comes described in section 199O(b)(8), in-
18 cluding the documentation the State will
19 require;

20 “(viii) describes the entities to which
21 the State will provide subgrants under sub-
22 section (d)(3), the purposes for which such
23 subgrants will be provided, and how funds
24 will flow to participants through such sub-
25 grants;

1 “(ix) describes the standards the
2 State will use to determine which partici-
3 pants receive the benefits and supportive
4 services described in section 199R(c)(1)(B)
5 and how the State will apply such stand-
6 ards consistently;

7 “(x) describes the entities the State
8 consulted in developing the plan, including
9 employers, labor organizations, community
10 colleges, Indian tribes, and community-
11 based organizations; and

12 “(xi) specifies the period covered by
13 the plan and the process by which the
14 State may modify the plan; and

15 “(B) a certification or concurrence by the
16 State board that the National Service for Amer-
17 ica’s Future plan is aligned with the workforce
18 needs of the State and the programs of the
19 State under the Workforce Innovation and Op-
20 portunity Act, including a description of how
21 activities under the plan will—

22 “(i) connect such participants to local
23 boards and one-stop centers;

24 “(ii) screen such participants for eligi-
25 bility to participate in programs under the

1 Workforce Innovation and Opportunity Act
2 and, if eligible and appropriate to advance
3 the participant’s service-to-career pathway,
4 facilitate co-enrollment in such programs;

5 “(iii) connect such participants with
6 eligible providers of training services under
7 section 122 of such Act (29 U.S.C. 3152),
8 apprenticeship programs, pre-apprentice-
9 ships, community colleges, employers, labor
10 organizations, or public-sector hiring path-
11 ways; and

12 “(iv) provide that participation count,
13 as applicable, as work-based learning, work
14 experience, on-the-job training, participa-
15 tion in a career pathway, participation in
16 a pre-apprenticeship, or measurable skill
17 gain.

18 “(3) RELATIONSHIP TO STATE NATIONAL SERV-
19 ICE PLAN.—

20 “(A) IN GENERAL.—A State may submit
21 the National Service for America’s Future plan
22 described in paragraph (2)(A) as part of, or as
23 an addendum to, the national service plan of
24 the State prepared under section 178(e)(1).

1 “(B) RULE OF CONSTRUCTION.—The Cor-
2 poration or Secretary may not require submis-
3 sion of the National Service for America’s Fu-
4 ture plan as part of, or as an addendum to,
5 such national service plan as a condition of ap-
6 proval of an application under paragraph (1).

7 “(c) GRANT FORMULA.—

8 “(1) APPROVED STATE.—For purposes of this
9 subsection, the term ‘approved State’ means a State
10 with an application to receive a grant under this sec-
11 tion that has been approved under subsection
12 (b)(1)(A).

13 “(2) RESERVATION OF FUNDS.—Of the total
14 amount received from the Artificial Intelligence Ho-
15 rizon Fund and allocated for use under this subtitle
16 for a fiscal year, the Corporation—

17 “(A) shall reserve—

18 “(i) 1 percent of such amount for
19 grants under this section to approved
20 States that are the United States Virgin
21 Islands, Guam, American Samoa, or the
22 Commonwealth of the Northern Mariana
23 Islands, of which such amount shall be al-
24 lotted for a grant to each such approved
25 State for a fiscal year in an amount that

1 bears the same ratio to 1 percent of such
2 amount for that fiscal year as the popu-
3 lation of the approved States bears to the
4 total population of the United States Vir-
5 gin Islands, Guam, American Samoa, and
6 the Commonwealth of the Northern Mar-
7 iana Islands; and

8 “(ii) 5 percent of such amount for
9 grants under this section to Indian tribes;
10 and

11 “(B) may reserve not more than 2 percent
12 of the amount that remains from total amount
13 after the reservations under subparagraph (A)
14 for use by the Corporation and the Secretary
15 for the costs of administering this subtitle, in-
16 cluding technical assistance, evaluation, and the
17 reports required under section 199T.

18 “(3) ALLOTMENT TO APPROVED STATES ON
19 FORMULA BASIS.—The Corporation shall allot the
20 amount received from the Artificial Intelligence Ho-
21 rizon Fund and allocated for use under this subtitle
22 for a fiscal year that is not reserved under para-
23 graph (2) (referred to in this subsection as the ‘un-
24 reserved funds’), for grants under this section to ap-
25 proved States that are one of the several States, the

1 District of Columbia, or the Commonwealth of Puer-
2 to Rico in an amount that (excepted as provided in
3 paragraph (4)) bears the same ratio of the unre-
4 served funds for the fiscal year as the population of
5 the State bears to the total population of the several
6 States, the District of Columbia, and the Common-
7 wealth of Puerto Rico.

8 “(4) MINIMUM AMOUNT FOR FORMULA.—

9 “(A) IN GENERAL.—Notwithstanding para-
10 graph (3), the minimum grant made available
11 to any approved State described in such para-
12 graph from the unreserved funds under such
13 paragraph for a fiscal year shall be the greater
14 of—

15 “(i) the amount published under sub-
16 paragraph (B) for purposes of the fiscal
17 year; or

18 “(ii) 0.5 percent of the total amount
19 of the unreserved funds for the fiscal year.

20 “(B) MINIMUM AMOUNT PUBLICATION.—

21 Not later than 90 days before the beginning of
22 any fiscal year that begins after the date of en-
23 actment of the Make AI Work for Americans
24 Act, the Artificial Intelligence Advisory Council
25 shall determine and publish the amount for

1 purposes of subparagraph (A)(i) for the fiscal
2 year.

3 “(5) EFFECT OF FAILURE TO APPLY.—If a
4 State fails to apply for, or fails to give notice to the
5 Corporation of its intent to apply for, a grant under
6 this section, or if the application of the State is re-
7 jected under subsection (b)(1)(B), the Corporation
8 may use the amount that would have been allotted
9 under paragraph (2) to the State to make reallocot-
10 ments to approved States under this subsection or
11 make grants to other community-based entities that
12 propose to carry out National Service for America’s
13 Future programs in such State or territory.

14 “(6) POPULATION DETERMINATION.—In deter-
15 mining populations of a State for purposes of this
16 subsection, the Corporation shall use the most re-
17 cently published data available from the Bureau of
18 the Census that the Corporation determines is ap-
19 propriate for such purposes.

20 “(7) UNAWARDED TRIBAL FUNDS.—Any
21 amount reserved under paragraph (2)(B) that is not
22 awarded to an Indian tribe in a fiscal year shall be
23 available to the Corporation and the Secretary to
24 provide technical assistance and support to Indian

1 tribes to apply for and carry out grants under this
2 section.

3 “(d) ACTIVITIES.—A State that receives a grant
4 under subsection (a) shall, in accordance with the applica-
5 tion of the State submitted to the Corporation under sub-
6 section (b) and acting through the State Commission as
7 the lead entity in partnership with the State board and
8 State workforce agency of the State, carry out the Na-
9 tional Service for America’s Future plan of such State,
10 including by—

11 “(1) enrolling eligible individuals under section
12 199R for participation in a program under that plan
13 through a service-to-career pathway;

14 “(2) approving eligible host sites for placement
15 of such individuals; and

16 “(3) providing subgrants in accordance with the
17 plan.

18 “(e) HOST SITES ORGANIZED FOR PROFIT.—In car-
19 rying out subsection (d), a State may approve a business
20 organized for profit as an eligible host site if the State
21 determines that placement at the business—

22 “(1) would be in an eligible service field and re-
23 sponds to a demonstrated State, regional, or commu-
24 nity workforce need;

1 “(2) provides meaningful training, work-based
2 learning, supervision, and a documented workforce
3 outcome under section 1990(b)(8);

4 “(3) provides a public or community benefit in
5 addition to any incidental benefit received by the
6 business;

7 “(4) does not displace an existing employee,
8 supplant hiring, or reduce the hours or wages of an
9 existing employee; and

10 “(5) meets such additional safeguards as the
11 State determines appropriate.

12 “(f) ADMINISTRATION.—

13 “(1) STATE.—Except as provided in paragraph
14 (3), a State that receives a grant under subsection
15 (a) may use not more than 10 percent of the amount
16 provided to a State under this section to pay for ad-
17 ministrative costs incurred by the State in carrying
18 out the activities under this section, including for
19 data collection, performance measurement, technical
20 assistance, workforce-system coordination, partici-
21 pant support infrastructure, and oversight.

22 “(2) SUBGRANTEES.—Except as provided in
23 paragraph (3), a subgrantee that receives a subgrant
24 under subsection (d)(3) may use not more than 5
25 percent of the amount of such subgrant to pay for

1 administrative costs incurred by the entity in car-
2 rying out the activities under this section.

3 “(3) REDUCTION AFTER THIRD YEAR.—

4 “(A) IN GENERAL.—With respect to any
5 fiscal year following the third fiscal year for
6 which a State receives a grant under subsection
7 (a), the Corporation may apply a percentage
8 lower than the percentage specified in para-
9 graph (1), and a percentage lower than the per-
10 centage specified in paragraph (2) with respect
11 to entities receiving subgrants from such State,
12 except that the Corporation may not apply a
13 percentage lower than 5 percent for purposes of
14 paragraph (1) or 3 percent for purposes of
15 paragraph (2).

16 “(B) NOTICE AND UNIFORM APPLICA-
17 TION.—The Corporation shall publish any per-
18 centage applied under subparagraph (A) not
19 later than 90 days before the beginning of the
20 fiscal year to which it applies and shall apply
21 such percentage on the same terms to each ap-
22 proved State that has received a grant under
23 subsection (a) for more than 3 fiscal years.

24 “(g) GRANTS TO INDIAN TRIBES.—

1 “(1) IN GENERAL.—Subject to this subsection,
2 the Corporation may, using amounts reserved under
3 subsection (c)(2)(A)(ii), award grants to Indian
4 tribes under subsection (a) to carry out the activities
5 described in subsection (d) as if such an Indian tribe
6 was a State receiving a grant under subsection (a).

7 “(2) APPLICATION.—

8 “(A) IN GENERAL.—Subject to subpara-
9 graph (B), an Indian tribe may apply for a
10 grant described in paragraph (1) under sub-
11 section (b), and the Corporation and Secretary
12 shall approve or reject such application under
13 subsection, as if the Indian tribe was a State
14 seeking a grant under subsection (a).

15 “(B) MODIFICATION.—For purposes of an
16 application by an Indian tribe as described
17 under this paragraph—

18 “(i) a reference in subsection (b) to
19 the State Commission, State board, or
20 State workforce agency of a State shall be
21 deemed to refer to the Indian tribe; and

22 “(ii) in the application of the Indian
23 tribe, in lieu of the certification or concur-
24 rence required under subsection (b)(2)(B),
25 the Indian tribe shall include in the appli-

1 cation a description of how activities of the
2 Indian tribe will connect participants to
3 one-stop centers, screen participant for eli-
4 gibility for, and where appropriate to ad-
5 vance the participant’s service-to-career
6 pathway, co-enroll them in, programs
7 under the Workforce Innovation and Op-
8 portunity Act (29 U.S.C. 3101 et seq.),
9 and connect them to training providers,
10 apprenticeship programs, and community
11 colleges, including through coordination
12 with any program the Indian tribe operates
13 under section 166 of such Act (29 U.S.C.
14 3221).

15 “(3) REQUIREMENTS AND CONDITIONS.—An
16 Indian tribe that receives a grant described in para-
17 graph (1) shall use the grant funds subject to the
18 same conditions and requirements as grant funds
19 awarded to a State under subsection (a).

20 “(h) RULE OF CONSTRUCTION.—This subtitle shall
21 not be interpreted to—

22 “(1) alter any responsibility of a State work-
23 force agency or any appropriate local workforce enti-
24 ty for determinations of eligibility, enrollment, or ad-

1 ministration of programs under the Workforce Inno-
2 vation and Opportunity Act; or

3 “(2) require a State Commission to perform
4 functions assigned under Federal or State law to a
5 State workforce agency, local board, or one-stop op-
6 erator.

7 **“SEC. 199R. PARTICIPANTS.**

8 “(a) IN GENERAL.—In accordance with subsection
9 (b), a State that receives a grant under section 199Q to
10 carry out activities in accordance with the National Serv-
11 ice for America’s Future plan of such State may enroll
12 any individual who is not less than 18 years of age as
13 a participant.

14 “(b) PRIORITY.—In selecting individuals for enroll-
15 ment under subsection (a), a State may prioritize—

16 “(1) early-career workers;

17 “(2) dislocated workers (as defined in section 3
18 of the Workforce Innovation and Opportunity Act
19 (29 U.S.C. 3102));

20 “(3) unemployed or underemployed workers;

21 “(4) mid-career workers seeking to transition
22 into a field that is less exposed to artificial intel-
23 ligence;

24 “(5) veterans;

25 “(6) caregivers returning to work; and

1 “(7) individuals from rural, Tribal, low-income,
2 or underserved communities.

3 “(c) COMPENSATION AND BENEFITS.—

4 “(1) IN GENERAL.—A participant in activities
5 in a program under the National Service for Amer-
6 ica’s Future plan of a State shall—

7 “(A) from amounts provided to an eligible
8 host site by the State from grant funds under
9 this section and the cost-share amount of the
10 eligible host site in accordance with the plan,
11 receive compensation from the eligible host site
12 supporting the participant for service, training,
13 professional development, coaching, and other
14 required program activities in such program at
15 a wage rate that is not less than—

16 “(i) \$20 an hour; or

17 “(ii) beginning in the first fiscal year
18 beginning after the date of enactment of
19 the Make AI Work for Americans Act and
20 for each fiscal year thereafter, the amount
21 in effect under this subparagraph—

22 “(I) increased by the percentage
23 increase, if any, in the Consumer
24 Price Index for All Urban Consumers

1 published by the Bureau of Labor
2 Statistics (or a successor index); and

3 “(II) rounded to the nearest mul-
4 tiple of \$0.05, if the amount after ap-
5 plying subclause (I) is not a multiple
6 of \$0.05; and

7 “(B) be eligible, as provided in the plan,
8 for—

9 “(i) a completion award;

10 “(ii) health care benefits or health
11 coverage assistance, as determined by the
12 Artificial Intelligence Advisory Council;
13 and

14 “(iii) supportive services, including
15 transportation, child care, digital access,
16 credentialing costs, licensing fees, exam
17 fees, background checks, and required tools
18 or equipment, as determined by the Arti-
19 ficial Intelligence Advisory Council.

20 “(2) COMPLETION AWARD.—A completion
21 award to a participant under paragraph (1)(B)(i)
22 shall be—

23 “(A) in an amount determined by the Arti-
24 ficial Intelligence Advisory Council that is equal
25 to the maximum amount of a Federal Pell

1 Grant under section 401 of the Higher Edu-
2 cation Act of 1965 (20 U.S.C. 1070a) that a
3 student eligible for such Grant may receive in
4 the aggregate (without regard to whether the
5 funds are provided through discretionary or
6 mandatory appropriations) for the award year
7 in which the participation of the participant
8 began;

9 “(B) pro-rated based on the service hours
10 of the participant in the program under the Na-
11 tional Service for America’s Future plan of a
12 State; and

13 “(C) paid by the Corporation from
14 amounts allocated from the Artificial Intel-
15 ligence Horizon Fund for purposes of awarding
16 such awards, upon the participant’s completion
17 of the term of service.

18 “(3) COST SHARING.—In carrying out activities
19 for the placement of a participant in accordance
20 with the National Service for America’s Future plan
21 of a State, an eligible host site shall provide for the
22 cost-share amount associated with such participant
23 as set for such eligible host site in such plan.

24 “(d) CRIMINAL HISTORY CHECKS.—

1 “(1) IN GENERAL.—A State receiving a grant
2 under this subtitle, or an entity receiving a subgrant
3 under section 199Q(d)(3), shall conduct a criminal
4 history check for each individual selected as a partic-
5 ipant.

6 “(2) REGULATIONS.—The Corporation shall
7 issue regulations governing checks under paragraph
8 (1) that ensure such checks are effective in pro-
9 tecting the individuals and communities served
10 under this subtitle while minimizing the administra-
11 tive burden on States, entities receiving subgrants
12 under section 199Q(d)(3), and eligible host sites.

13 “(3) INAPPLICABILITY.—Any regulation issued
14 under section 189D shall not apply to a participant.

15 **“SEC. 199S. MATCHING AND COST SHARING.**

16 “(a) USE OF FUNDS UNDER THIS SUBTITLE AS
17 MATCHING FUNDS.—Amounts received by a State under
18 section 199Q, or by an entity receiving a subgrant under
19 section 199Q(d)(3), may be used to satisfy any matching,
20 cost sharing, or maintenance-of-effort requirement under
21 this Act or the Domestic Volunteer Service Act of 1973
22 (42 U.S.C. 4950 et seq.).

23 “(b) LIMITATION.—The same funds may not be
24 counted to satisfy more than one matching, cost sharing,

1 or maintenance-of-effort requirement as provided under
2 subsection (a).

3 **“SEC. 199T. REPORTS.**

4 “(a) NATIONAL REPORTING.—The Corporation
5 shall—

6 “(1) annually prepare a report regarding the
7 National Service for America’s Future program es-
8 tablished by subsection (a) of section 199P that—

9 “(A) summarizes—

10 “(i) reports submitted by States under
11 the National Service for America’s Future
12 plan of the State in accordance with the
13 national program framework established
14 under subsection (b) of such section; and

15 “(ii) outcomes of the program; and

16 “(B) includes—

17 “(i) information regarding State par-
18 ticipation;

19 “(ii) information on formula allot-
20 ments and expenditures;

21 “(iii) the number of participants and
22 member service years supported;

23 “(iv) data on participant demo-
24 graphics;

1 “(v) information on eligible service
2 fields and communities served;

3 “(vi) information on eligible service
4 fields and occupations supported;

5 “(vii) information on outcomes for in-
6 tegration with programs under the Work-
7 force Innovation and Opportunity Act;

8 “(viii) information on credential and
9 workforce outcomes;

10 “(ix) information on employment, edu-
11 cation, apprenticeship program, and wage
12 outcomes, as available;

13 “(x) information on the use of sup-
14 portive services by participants in such
15 program;

16 “(xi) information on technical assist-
17 ance needs; and

18 “(xii) recommendations for improving
19 the program; and

20 “(2) submit such report to the Committee on
21 Health, Education, Labor, and Pensions of the Sen-
22 ate and the Committee on Education and Workforce
23 of the House of Representatives.

24 “(b) AMERICORPS-WIDE PARTICIPANT SUPPORT AND
25 MODERNIZATION REPORT.—The Artificial Intelligence

1 Advisory Council, the Corporation, and the Secretary shall
2 jointly—

3 “(1) prepare a report that assess options, and
4 identifies any statutory or regulatory barrier that
5 prevents the Corporation or the Secretary from act-
6 ing, to—

7 “(A) raise compensation for full-time serv-
8 ice by a participant in any program under this
9 Act;

10 “(B) provide or expand health care cov-
11 erage or health coverage assistance for such
12 participants;

13 “(C) improve recruitment and retention for
14 such participants who are facing financial bar-
15 riers to service;

16 “(D) integrate programs under this Act
17 with programs under the Workforce Innovation
18 and Opportunity Act (29 U.S.C. 3101 et seq.);

19 “(E) enable programs under this Act, and
20 the training and recognized postsecondary cre-
21 dentials provided through such programs, to be
22 included on a State list of eligible providers of
23 training services under section 122 of the
24 Workforce Innovation and Opportunity Act (29
25 U.S.C. 3152);

1 “(F) strengthen the National Service
2 Trust established under section 145 as a path-
3 way into a career, including options to expand
4 the uses for which a national service edu-
5 cational award may be applied, to align such
6 awards with recognized postsecondary creden-
7 tials and registered apprenticeship programs
8 and to extend the period during which such an
9 award may be used;

10 “(G) increase the time a participant in a
11 program under this Act may spend in edu-
12 cation, training, and professional development
13 related to the participant’s service;

14 “(H) permit programs under this Act to
15 partner with businesses organized for profit for
16 internships, training placements, and work-
17 based learning that support participant profes-
18 sional development or provide a public benefit;
19 and

20 “(I) establish a voluntary credential recog-
21 nizing durable skills developed through service
22 that is portable to employers; and

23 “(2) submit such report to the Committee on
24 Health, Education, Labor, and Pensions of the Sen-
25 ate and the Committee on Education and Workforce

1 of the House of Representatives not later than 360
2 days after the date of enactment of the Make AI
3 Work for Americans Act.

4 “(c) USE OF EXISTING SYSTEMS AND MEASURES.—

5 In carrying out subsection (a), and in establishing require-
6 ments for State reporting metrics under section
7 199P(b)(6), the Corporation shall—

8 “(1) use the data collection, grant management,
9 and performance reporting systems used by the Cor-
10 poration for other programs under the national serv-
11 ice laws rather than establishing a separate system
12 for the program under this subtitle;

13 “(2) to the maximum extent practicable, use
14 definitions, data elements, and performance meas-
15 ures that are consistent with those used for such
16 other programs and, as appropriate, with the pri-
17 mary indicators of performance described in section
18 116(b)(2)(A) of the Workforce Innovation and Op-
19 portunity Act (29 U.S.C. 3141(b)(2)(A)); and

20 “(3) minimize duplicative reporting by States,
21 entities receiving subgrants, and eligible host sites,
22 including by accepting data already reported to the
23 Corporation under other programs under the na-
24 tional service laws.”.

1 (b) TABLE OF CONTENTS AMENDMENT.—The table
2 of contents in section 1(b) of the National and Community
3 Service Act of 1990 (42 U.S.C. 12501 note) is amended
4 by inserting after the item relating to section 199N the
5 following:

Subtitle K—National Service for America’s Future Program

Sec. 199O. Purpose; definitions.

Sec. 199P. Establishment of National Service for America’s Future program.

Sec. 199Q. National Service for America’s Future grants.

Sec. 199R. Participants.

Sec. 199S. Matching and cost sharing.

Sec. 199T. Reports.

6 (c) EXCLUSION FROM GROSS INCOME.—Section 74
7 of the Internal Revenue Code of 1986 is amended by add-
8 ing at the end the following new subsection:

9 “(e) EXCEPTION FOR NATIONAL SERVICE FOR
10 AMERICA’S FUTURE COMPLETION AWARDS.—Gross in-
11 come shall not include the amount of any completion
12 award paid to an individual in accordance with section
13 199R(c)(1)(B)(i) of the National and Community Service
14 Act of 1990.”.

15 **TITLE IV—ENTREPRENEURSHIP**
16 **FOR AMERICA**

17 **SEC. 401. ENTREPRENEURS OF THE FUTURE PROGRAM.**

18 (a) PROGRAM IMPROVEMENTS.—

19 (1) RENAMING PROGRAM.—

20 (A) IN GENERAL.—Section 3306(t) of the
21 Internal Revenue Code of 1986 is amended—

1 (i) in the heading, by striking “SELF-
2 EMPLOYMENT ASSISTANCE” and inserting
3 “ENTREPRENEURS OF THE FUTURE”; and

4 (ii) in the matter preceding paragraph
5 (1), by striking “self-employment assist-
6 ance” and inserting “Entrepreneurs of the
7 Future”.

8 (B) CONFORMING AMENDMENTS.—

9 (i) Section 3304(a)(4)(F) of such
10 Code is amended by striking “self-employ-
11 ment assistance” and inserting “Entre-
12 preneurs of the Future”.

13 (ii) Section 3306(f)(6) of such Code is
14 amended by striking “self-employment as-
15 sistance” and inserting “Entrepreneurs of
16 the Future”.

17 (iii) Section 303(a)(5) of the Social
18 Security Act (42 U.S.C. 503(a)(5)) is
19 amended, in the last proviso, by striking
20 “self-employment assistance” and inserting
21 “Entrepreneurs of the Future”.

22 (2) ADJUSTMENT OF LIMITATION ON NUMBER

23 OF INDIVIDUALS PARTICIPATING.—Section
24 3306(t)(4) of such Code is amended—

25 (A) by striking “5 percent of”; and

1 (B) by inserting “and” after the semicolon
2 at the end.

3 (3) ELIMINATION OF REQUIREMENT THAT PAR-
4 TICIPANTS ARE LIKELY TO EXHAUST REGULAR UN-
5 EMPLOYMENT COMPENSATION.—Section 3306(t)(3)
6 of the Internal Revenue Code of 1986 is amended by
7 striking subparagraph (B) and by redesignating sub-
8 paragraphs (C) and (D) as subparagraphs (B) and
9 (C), respectively.

10 (4) MODIFICATION OF REQUIREMENT TO PAR-
11 TICIPATE IN SELF-EMPLOYMENT ASSISTANCE AC-
12 TIVITIES.—Section 3306(t)(3)(B) of the Internal
13 Revenue Code of 1986, as redesignated by para-
14 graph (3), is amended to read as follows:

15 “(B) are participating in proven entrepre-
16 neurship, self-employment, or small business
17 ownership activities which are approved by the
18 State agency and either—

19 “(i) include entrepreneurial training,
20 business counseling, and technical assist-
21 ance; or

22 “(ii) are performed pursuant to a
23 business plan submitted by the individual
24 and approved by the State or an agency or
25 entity designated by the State; and”.

1 (5) ELIMINATION OF BUDGET NEUTRALITY RE-
2 QUIREMENT.—Section 3306(t) of the Internal Rev-
3 enue Code of 1986 is amended by striking para-
4 graph (5) and redesignating paragraph (6) as para-
5 graph (5).

6 (6) NOTIFICATION OF ELIGIBILITY.—Section
7 3306(t)(1) of the Internal Revenue Code of 1986 is
8 amended by inserting “, and the State notifies such
9 individuals of their eligibility to receive such allow-
10 ance” after “self-employed”.

11 (b) REQUIREMENT FOR STATES TO ESTABLISH AN
12 ENTREPRENEURS OF THE FUTURE PROGRAM.—

13 (1) IN GENERAL.—Section 3304(a) of the In-
14 ternal Revenue Code of 1986 is amended—

15 (A) in paragraph (4)(F), by inserting “, as
16 required under paragraph (19)” after
17 “3306(t)”;

18 (B) in paragraph (18), by striking “and”
19 at the end;

20 (C) by redesignating paragraph (19) as
21 paragraph (20); and

22 (D) by inserting after paragraph (18) the
23 following new paragraph:

1 “(19) payment of allowances are made under
2 Entrepreneurs of the Future programs (as defined
3 in section 3306(t)) under the State law; and”.

4 (2) CONFORMING AMENDMENT.—Section
5 303(a)(5) of the Social Security Act (42 U.S.C.
6 503(a)(5)), is amended, in the last proviso, by in-
7 serting “, as required under section 3304(a)(19) of
8 such Code” after “1986”).

9 (c) REGULATIONS AND GUIDANCE.—

10 (1) ISSUANCE OF REGULATIONS.—The Sec-
11 retary of Labor shall, after public notice and com-
12 ment and subject to approval by the Office of Man-
13 agement and Budget, adopt regulations to admin-
14 ister this section.

15 (2) ISSUANCE OF GUIDANCE.—The Secretary of
16 Labor, in consultation with the Administrator of the
17 Small Business Administration, shall provide guid-
18 ance to State workforce agencies that includes—

19 (A) with respect to States that have estab-
20 lished a program under section 3306(t) of the
21 Internal Revenue Code of 1986 as of the date
22 of enactment of this section, best practices for
23 implementing the requirements of this section
24 to such program;

1 (B) with respect to States that have not
2 established a program under section 3306(t) of
3 the Internal Revenue Code of 1986 as of the
4 date of enactment of this section, best practices
5 for establishing such a program in compliance
6 with the requirements of this section;

7 (C) a model list of entrepreneurship, self-
8 employment, and small business ownership ac-
9 tivities that fulfill requirements of the program
10 under section 3306(t) of the Internal Revenue
11 Code of 1986, including the option of engaging
12 with Small Business Development Centers and
13 nonprofit organizations specializing in small
14 business technical assistance; and

15 (D) best practices for verification of com-
16 pletion of the activities described in subpara-
17 graph (C).

18 (d) PAYMENTS TO STATES FOR OPERATING AN EN-
19 TREPRENEURS OF THE FUTURE PROGRAM.—Section 903
20 of the Social Security Act (42 U.S.C. 1103) is amended
21 by adding at the end the following new subsection:

22 “(j) PAYMENTS TO STATES FOR OPERATING AN EN-
23 TREPRENEURS OF THE FUTURE PROGRAM.—(1)(A) Sub-
24 ject to paragraph (4), there shall be paid to each State
25 an amount equal to 100 percent of—

1 “(i) the total amount of allowances paid to indi-
2 viduals by the State under the State’s Entrepreneurs
3 of the Future program (as defined in section
4 3306(t) of the Internal Revenue Code of 1986); and

5 “(ii) any additional administrative expenses in-
6 curred by the State by reason of making such pay-
7 ments (as determined by the Secretary of Labor).

8 “(B) Sums payable to any State under this sub-
9 section shall be payable, either in advance or by way of
10 reimbursement (as determined by the Secretary of Labor),
11 in such amounts as the Secretary of Labor estimates the
12 State will be entitled to receive under this subsection for
13 each calendar month, reduced or increased, as the case
14 may be, by any amount by which the Secretary of Labor
15 finds that the Secretary’s estimates for any prior calendar
16 month were greater or less than the amounts that should
17 have been paid to the State. Such estimates may be made
18 on the basis of such statistical, sampling, or other method
19 as may be agreed upon by the Secretary of Labor and
20 the State agency of the State involved.

21 “(2) The Secretary of Labor shall from time to time
22 certify to the Secretary of the Treasury for payment to
23 each State the sums payable to such State under this sub-
24 section.

1 “(3) Sums payable to any State under this subsection
2 shall be —

3 “(A) made by way of transfer from the Artifi-
4 cial Intelligence Horizon Fund (as defined in section
5 3 of the Make AI Work for Americans Act); and

6 “(B) deposited in the account of such States in
7 the Unemployment Trust Fund.

8 “(4) Payments to States under this subsection shall
9 be subject to the availability of funds in the Artificial In-
10 telligence Horizon Fund (as defined in section 3 of the
11 Make AI Work for Americans Act).”.

12 (e) EFFECTIVE DATE.—The amendments made this
13 section shall apply to weeks of unemployment beginning
14 on or after the earlier of—

15 (1) the date the State changes its statutes, reg-
16 ulations, or policies in order to comply with such
17 amendments; or

18 (2) January 1, 2028.

19 **SEC. 402. SMALL BUSINESS FUTURES PROGRAM.**

20 Subtitle D of title I of the Workforce Innovation and
21 Opportunity Act (29 U.S.C. 3221 et seq.) is amended—

22 (1) by redesignating section 172 as section 174;
23 and

24 (2) by inserting after section 171 the following:

1 **“SEC. 172. SMALL BUSINESS FUTURES PROGRAM.**

2 “(a) GRANTS.—Using the sum received from the Ar-
3 tificial Intelligence Horizon Fund and allocated by the Ar-
4 tificial Intelligence Advisory Council for use under this
5 section, the Secretary shall make grants to States,
6 through the State workforce agencies that carry out sub-
7 title B, to assist the States in carrying out the provisions
8 of the State plan approved under section 102 or 103 that
9 relate to entrepreneurship, self-employment, and small
10 business ownership.

11 “(b) APPLICATION.—To be eligible to receive a grant
12 under this section, a State shall submit an application to
13 the Secretary at such time, in such manner, and con-
14 taining such information as the Secretary may require, in-
15 cluding an assurance that the agency will coordinate the
16 activities carried out under the grant with the activities
17 of a lead small business development center in the State.

18 “(c) USE OF FUNDS.—A State that receives a grant
19 under this section shall use the grant funds to build its
20 capacity to provide services relating to entrepreneurship,
21 self-employment, and small business ownership, under
22 subtitle B, which may include establishing a small busi-
23 ness liaison office within the State workforce agency to
24 develop resources and connect job seekers to—

25 “(1) counseling at a small business development
26 center, other Small Business Administration re-

1 sources, private sector training programs, commu-
2 nity development financial institutions (as defined in
3 section 103 of the Riegle Community Development
4 and Regulatory Improvement Act of 1994 (12
5 U.S.C. 4702)), nonprofit organizations providing en-
6 trepreneurial training, counseling, or technical as-
7 sistance, and other entities that provide entrepre-
8 neurial training, counseling, or technical assistance:
9 and

10 “(2) assistance in adopting digital tools and ar-
11 tificial intelligence to improve business operations,
12 competitiveness, and efficiency.

13 “(d) DEFINITIONS.—For purposes of this section, the
14 terms ‘Artificial Intelligence Horizon Fund’, and ‘Artifi-
15 cial Intelligence Advisory Council’ have the meanings
16 given such terms in section 3 of the Make AI Work for
17 Americans Act.”.

18 **SEC. 403. OTHER SMALL BUSINESS RESOURCES.**

19 (a) DEFINITIONS.—Section 3 of the Workforce Inno-
20 vation and Opportunity Act (29 U.S.C. 3102) is amend-
21 ed—

22 (1) in paragraph (51)—

23 (A) in subparagraph (D), by striking
24 “and” at the end;

1 (B) in subparagraph (E), by striking the
2 period and inserting “; and”; and

3 (C) by adding at the end the following:

4 “(F) the provision of entrepreneurial train-
5 ing and self-employment transition support.”;
6 and

7 (2) by adding at the end the following:

8 “(72) MBDA BUSINESS CENTER.—The term
9 ‘MBDA Business Center’ means an MBDA Business
10 Center operating under the MBDA Business Center
11 Program established under section 100113 of the
12 Minority Business Development Act of 2021 (15
13 U.S.C. 9523).

14 “(73) SMALL BUSINESS.—The term ‘small busi-
15 ness’ has the meaning given the term ‘small-business
16 concern’ in section 3 of the Small Business Act (15
17 U.S.C. 632).

18 “(74) SMALL BUSINESS DEVELOPMENT CEN-
19 TER.—The term ‘small business development center’
20 means a center described in section 21 of the Small
21 Business Act (15 U.S.C. 648).”.

22 (b) WORKFORCE DEVELOPMENT BOARDS.—

23 (1) STATE WORKFORCE DEVELOPMENT
24 BOARDS.—Section 101(b)(1)(C)(iii)(II) of the Work-

1 force Innovation and Opportunity Act (29 U.S.C.
2 3111(b)(1)(C)(iii)(II)) is amended—

3 (A) in item (cc), by striking “and” at the
4 end;

5 (B) in item (dd), by striking the period at
6 the end and inserting “; and”; and

7 (C) by adding at the end the following:

8 “(ee) a representative of the
9 network of small business devel-
10 opment centers in the State.”.

11 (2) LOCAL WORKFORCE DEVELOPMENT
12 BOARDS.—Section 107(b)(2)(D) of the Workforce
13 Innovation and Opportunity Act (29 U.S.C.
14 3122(b)(2)(D)) is amended—

15 (A) in clause (iv), by striking “and” at the
16 end; and

17 (B) by adding on the end the following:

18 “(vi) may include a representative of
19 the network of small business development
20 centers serving the local area; and”.

21 (c) UNIFIED STATE PLAN.—Section 102(b)(2)(B)(v)
22 of the Workforce Innovation and Opportunity Act (29
23 U.S.C. 3112(b)(2)(B)(v)) is amended by inserting “, and
24 how the activities will incorporate career pathways for en-
25 trepreneurship, self-employment, and small business own-

1 ership and will be coordinated with the activities of the
2 Small Business Administration, small business develop-
3 ment centers, the Minority Business Development Agency
4 and any MBDA Business Center serving the State, and
5 State- and locally-focused small business and economic de-
6 velopment nonprofit organizations” before the semicolon.

7 (d) INDIVIDUALIZED CAREER SERVICES.—Section
8 134(c)(2)(A)(xii) of the Workforce Innovation and Oppor-
9 tunity Act (29 U.S.C. 3174(c)(2)(A)(xii)) is amended—

10 (1) in subclause (X), by striking “or” at the
11 end;

12 (2) in subclause (XI), by striking “; and” and
13 inserting “; or”;

14 (3) by adding at the end the following:

15 “(XII) provision of information
16 about entrepreneurship as a career
17 pathway, and referrals to the small
18 business liaison office (if established
19 under section 172), small business de-
20 velopment centers, women’s business
21 centers operating pursuant to section
22 29 of the Small Business Act (15
23 U.S.C. 656), veteran business out-
24 reach centers, MBDA Business Cen-
25 ters, and nonprofit organizations spe-

1 cializing in small business technical
2 assistance; and”.

3 (e) TRAINING SERVICES.—Section 134(c)(3)(D) of
4 the Workforce Innovation and Opportunity Act (29 U.S.C.
5 3174(c)(3)(D)) is amended—

6 (1) in clause (x), by striking “and” at the end;

7 (2) in clause (xi), by striking the period at the
8 end and inserting “; and”; and

9 (3) by adding at the end the following:

10 “(xii) business plan development,
11 business incubation services, and business
12 coaching, including the provision of train-
13 ing and technical assistance for small busi-
14 nesses in the adoption and use of digital
15 tools and artificial intelligence.”.

16 **SEC. 404. ACCESS TO CAPITAL AND TECHNICAL ASSIST-**
17 **ANCE FOR EMERGING ENTREPRENEURS.**

18 (a) SMALL BUSINESS ADMINISTRATION.—In addition
19 to other uses of amounts in the Artificial Intelligence Ho-
20 rizon Fund authorized under this Act, and the amend-
21 ments made by this Act, the Secretary of Labor may
22 transfer such sums as the Artificial Intelligence Advisory
23 Council determines appropriate to allocate from the Artifi-
24 cial Intelligence Horizon Fund to the Administrator of the
25 Small Business Administration to carry out—

1 (1) the Small Business Development Center
2 Program under section 21 of the Small Business Act
3 (15 U.S.C. 648);

4 (2) the Microloan Program under section 7(m)
5 of the Small Business Act (15 U.S.C. 636(m));

6 (3) the Growth Accelerator Fund Competition
7 of the Small Business Administration;

8 (4) the loan program under section 7(a) of the
9 Small Business Act (15 U.S.C. 636(a)); or

10 (5) the small business investment company pro-
11 gram under title III of the Small Business Invest-
12 ment Act of 1958 (15 U.S.C. 681 et seq.).

13 (b) DEPARTMENT OF COMMERCE.—In addition to
14 other uses of amounts in the Artificial Intelligence Hori-
15 zon Fund authorized under this Act, and the amendments
16 made by this Act, the Secretary of Labor may transfer
17 such sums as the Artificial Intelligence Advisory Council
18 determines appropriate to allocate from the Artificial In-
19 telligence Horizon Fund to the Secretary of Commerce to
20 carry out—

21 (1) the MBDA Business Center Program estab-
22 lished under section 100113 of the Minority Busi-
23 ness Development Act of 2021 (15 U.S.C. 9523); or

24 (2) revolving loan funds capitalized with grants
25 awarded under section 209 of the Public Works and

1 Economic Development Act of 1965 (42 U.S.C.
2 3149).

3 (c) DEPARTMENT OF THE TREASURY.—In addition
4 to other uses of amounts in the Artificial Intelligence Ho-
5 rizon Fund authorized under this Act, and the amend-
6 ments made by this Act, the Secretary of Labor may
7 transfer such sums as the Artificial Intelligence Advisory
8 Council determines appropriate to allocate from the Artifi-
9 cial Intelligence Horizon Fund to the Secretary of the
10 Treasury to provide assistance under section 108 of the
11 Riegle Community Development and Regulatory Improve-
12 ment Act of 1994 (12 U.S.C. 4707).

13 (d) REDUCING BARRIERS TO CAPITAL FOR COVERED
14 ENTREPRENEURS.—

15 (1) IN GENERAL.—Amounts transferred under
16 subsection (a)(4) may be used to improve the terms
17 on which a covered entrepreneur obtains a loan
18 under section 7(a) of the Small Business Act (15
19 U.S.C. 636(a)), including by—

20 (A) reducing or waiving a fee otherwise
21 payable by the borrower or the lender;

22 (B) increasing the percentage of the loan
23 that is guaranteed;

24 (C) reducing the interest rate payable on
25 the loan; or

1 (D) offsetting the cost to a lender of mak-
2 ing a smaller-dollar loan.

3 (2) COVERED ENTREPRENEUR DEFINED.—In
4 this subsection, the term “covered entrepreneur”
5 means an individual—

6 (A) who owns or controls a small business
7 concern (as defined under section 3 of the
8 Small Business Act (15 U.S.C. 632)); and

9 (B) who—

10 (i) is participating in, or has com-
11 pleted, an Entrepreneurs of the Future
12 Program (as defined in section 3306(t) of
13 the Internal Revenue Code of 1986), as
14 amended by section 401 of this Act; or

15 (ii) demonstrates, in such form and
16 manner as the Administrator of the Small
17 Business Administration may require, that
18 the individual has received entrepreneurial
19 training, counseling, or technical assistance
20 relating to starting, acquiring, or operating
21 a small business concern from a provider
22 of such assistance, including a small busi-
23 ness development center, an MBDA Busi-
24 ness Center, a community development fi-
25 nancial institution, a nonprofit organiza-

1 tion, an institution of higher education, or
2 a private entity.

3 **TITLE V—NEW ECONOMY UNEM-**
4 **PLOYMENT INSURANCE FOR**
5 **AMERICA**

6 **SEC. 501. FLOOR ON THE NUMBER OF WEEKS.**

7 (a) IN GENERAL.—Section 3304(a) of the Internal
8 Revenue Code of 1986 is amended—

9 (1) in paragraph (18), by striking “and” at the
10 end;

11 (2) by redesignating paragraph (19) as para-
12 graph (20); and

13 (3) by inserting after paragraph (18) the fol-
14 lowing new paragraph:

15 “(19) the minimum duration of benefits is at
16 least 26 weeks, and no variable duration formula
17 that provides for maximum weeks of benefits of
18 fewer than 26 weeks is used, or, in the case of a
19 State that uses a maximum benefit entitlement, an
20 individual’s maximum benefit entitlement may not
21 be less than 26 times the individual’s weekly benefit
22 amount; and”.

23 (b) EFFECTIVE DATE.—The amendments made by
24 subsection (a) shall apply to weeks of unemployment be-
25 ginning on or after the earlier of—

1 (1) the date the State changes its statutes, reg-
2 ulations, or policies in order to comply with such
3 amendments; or

4 (2) the date that is 6 months after the date of
5 a submission of recommendations by the Council
6 under section 101(c)(4)(A) that includes a declara-
7 tion that a significant labor market disruption has
8 occurred or is likely to occur in a given fiscal year.

9 **SEC. 502. FLOOR ON THE MINIMUM REPLACEMENT OF**
10 **WAGES.**

11 (a) FLOOR.—

12 (1) IN GENERAL.—Section 3304(a) of the In-
13 ternal Revenue Code of 1986, as amended by section
14 501, is amended—

15 (A) in paragraph (19), by striking “and”
16 at the end;

17 (B) by redesignating paragraph (20) as
18 paragraph (21); and

19 (C) by inserting after paragraph (19) the
20 following new paragraph:

21 “(20) an individual’s weekly benefit amount is
22 equal to the lesser of—

23 “(A) the maximum weekly benefit amount
24 under the State law; or

25 “(B) an amount equal to the quotient of—

1 “(i) an amount equal to at least 75
2 percent of the total earnings in the quarter
3 of the individual’s base period with the
4 highest earnings; divided by
5 “(ii) 13; and”.

6 (2) EFFECTIVE DATE.—The amendments made
7 by paragraph (1) shall apply to weeks of unemploy-
8 ment beginning on or after the earlier of—

9 (A) the date the State changes its statutes,
10 regulations, or policies in order to comply with
11 such amendments; or

12 (B) the date that is 6 months after the
13 date of a submission of recommendations by the
14 Council under section 101(c)(4)(A) that in-
15 cludes a declaration that a significant labor
16 market disruption has occurred or is likely to
17 occur in a given fiscal year.

18 (b) PAYMENTS TO STATES FOR THE INCREASED
19 FLOOR ON THE MINIMUM REPLACEMENT OF WAGES.—
20 Section 903 of the Social Security Act (42 U.S.C. 1103),
21 as amended by section 401(d), is further amended by add-
22 ing at the end the following new subsection:

23 “(k) REIMBURSEMENT OF STATE UNEMPLOYMENT
24 FUNDS FOR INCREASED FLOOR ON THE MINIMUM RE-
25 PLACEMENT OF WAGES.—(1) Subject to paragraph (6),

1 in addition to any other amounts, for weeks of unemploy-
2 ment beginning on or after the date that is 6 months after
3 the date of a submission of recommendations by the Artifi-
4 cial Intelligence Advisory Council under section
5 101(c)(4)(A) of the Make AI Work for Americans Act that
6 includes a declaration that a significant labor market dis-
7 ruption has occurred or is likely to occur in a given fiscal
8 year, there shall be paid to each State an amount equal
9 to, with respect to any individual for a week, the excess
10 (if any) of—

11 “(A) an amount equal to the lesser of—

12 “(i) the minimum amount under section
13 3304(a)(20)(B) for such individual for such
14 week; or

15 “(ii) the maximum weekly benefit amount
16 under the State law for such week; over

17 “(B) an amount equal to the quotient of—

18 “(i) an amount equal to 40 percent of the
19 total earnings in the quarter of such individ-
20 ual’s base period with the highest earnings; di-
21 vided by

22 “(ii) 13.

23 “(2) Sums payable to any State under this subsection
24 shall be payable, either in advance or by way of reimburse-
25 ment (as determined by the Secretary of Labor), in such

1 amounts as the Secretary of Labor estimates the State
2 will be entitled to receive under this subsection for each
3 calendar month, reduced or increased, as the case may be,
4 by any amount by which the Secretary of Labor finds that
5 the Secretary's estimates for any prior calendar month
6 were greater or less than the amounts that should have
7 been paid to the State. Such estimates may be made on
8 the basis of such statistical, sampling, or other method
9 as may be agreed upon by the Secretary of Labor and
10 the State agency of the State involved.

11 “(3) The Secretary of Labor shall from time to time
12 certify to the Secretary of the Treasury for payment to
13 each State the sums payable to such State under this sub-
14 section.

15 “(4) Sums payable to any State under this subsection
16 shall be —

17 “(A) made by way of transfer of amounts allo-
18 cated for such purpose from the Artificial Intel-
19 ligence Horizon Fund under section 101(b) of the
20 Make AI Work for Americans Act); and

21 “(B) deposited in the account of such States in
22 the Unemployment Trust Fund.

23 “(5) Any amount transferred to the account of a
24 State in the Unemployment Trust Fund under this sub-
25 section may be used by such State only in the payment

1 of cash benefits to individuals with respect to their unem-
2 ployment, exclusive of expenses of administration.

3 “(6) A State shall not be eligible to receive a payment
4 under this subsection if such State decreases the max-
5 imum weekly benefit amount under the State law, as de-
6 scribed in section 3304(a)(20)(A), in effect as of the date
7 of enactment of this subsection.”.

8 **SEC. 503. FLOOR ON THE MAXIMUM BENEFIT.**

9 (a) IN GENERAL.—Section 3304(a) of the Internal
10 Revenue Code of 1986, as amended by sections 501 and
11 502(a), is amended—

12 (1) in paragraph (20), by striking “and” at the
13 end;

14 (2) by redesignating paragraph (21) as para-
15 graph (22); and

16 (3) by inserting after paragraph (20) the fol-
17 lowing new paragraph:

18 “(21) the maximum weekly benefit amount may
19 not be less than $\frac{2}{3}$ of the State’s average weekly
20 wage (as determined by the Secretary of Labor) as
21 of October 1 of each calendar year and applied for
22 claims effective on or after January 1 of the subse-
23 quent calendar year; and”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 subsection (a) shall apply to weeks of unemployment be-
3 ginning on or after the earlier of—

4 (1) the date the State changes its statutes, reg-
5 ulations, or policies in order to comply with such
6 amendments; or

7 (2) the date that is 6 months after the date of
8 a submission of recommendations by the Council
9 under section 101(c)(4)(A) that includes a declara-
10 tion that a significant labor market disruption has
11 occurred or is likely to occur in a given fiscal year.

12 **SEC. 504. BASE PERIOD.**

13 (a) IN GENERAL.—Section 3304(a) of the Internal
14 Revenue Code of 1986, as amended by sections 501,
15 502(a), and 503, is amended—

16 (1) in paragraph (21), by striking “and” at the
17 end;

18 (2) by redesignating paragraph (22) as para-
19 graph (23); and

20 (3) by inserting after paragraph (21) the fol-
21 lowing new paragraph:

22 “(22) the State law—

23 “(A) uses a base period that consists of 4
24 completed calendar quarters preceding the ef-
25 fective date of the claim and includes the most

1 recently completed calendar quarter before the
2 start of the benefit year for purposes of deter-
3 mining eligibility for unemployment compensa-
4 tion; or

5 “(B) provides that, in the case of an indi-
6 vidual who would not otherwise be eligible for
7 unemployment compensation under the State
8 law because of the use of a base period that
9 does not meet the requirements described in
10 subparagraph (A), eligibility is determined
11 using a base period that consists of 4 completed
12 calendar quarters preceding the effective date of
13 the claim and includes the most recently com-
14 pleted calendar quarter before the start of the
15 benefit year; and”.

16 (b) EFFECTIVE DATE.—The amendments made by
17 subsection (a) shall apply to claims with an effective date
18 beginning on or after the earlier of—

19 (1) the date the State changes its statutes, reg-
20 ulations, or policies in order to comply with such
21 amendments; or

22 (2) the date that is 6 months after the date of
23 a submission of recommendations by the Council
24 under section 101(c)(4)(A) that includes a declara-

1 tion that a significant labor market disruption has
2 occurred or is likely to occur in a given fiscal year.

3 **SEC. 505. MODERNIZATION.**

4 (a) IN GENERAL.—Beginning with fiscal year 2027
5 and annually thereafter, not less than \$225,000,000 of
6 amounts available in the Artificial Intelligence Horizon
7 Fund under section 101(b) shall be transferred from such
8 Fund to the Unemployment Trust Fund, for activities re-
9 lated to the detection and prevention of fraud, the pro-
10 motion of equitable access to unemployment compensation
11 benefits, and ensuring the timely payment of benefits with
12 respect to unemployment compensation programs, includ-
13 ing for—

14 (1) Federal administrative costs related to im-
15 plementation of the amendments made by sections
16 501 through section 504;

17 (2) systemwide infrastructure investment and
18 development related to implementation of such
19 amendments; and

20 (3) awarding grants to States to assist such
21 States in complying with such amendments, includ-
22 ing through the establishment of procedures or the
23 building of infrastructure to—

24 (A) verify or validate the identity of claim-
25 ants;

1 (B) calculate unemployment compensation
2 amounts;

3 (C) implement Federal guidance regarding
4 fraud detection and prevention;

5 (D) accelerate the processing of unemploy-
6 ment compensation claims or any backlog of
7 such claims; and

8 (E) issue subgrants to entities—

9 (i) which may include labor organiza-
10 tions, community-based nonprofit groups,
11 and other entities that are capable of car-
12 rying out the duties described in clause
13 (iii);

14 (ii) who shall demonstrate existing re-
15 lationships, or the ability to readily estab-
16 lish relationships, with employers and em-
17 ployees, consumers, and other individuals;
18 and

19 (iii) to assist individuals in navigating
20 enrollment in unemployment compensation
21 programs, health insurance enrollment,
22 and workforce training opportunities.

23 (b) RESTRICTIONS ON GRANTS TO STATES.—As a
24 condition of receiving a grant under subsection (a)(3), the

1 Secretary of Labor may require that a State receiving
2 such a grant shall—

3 (1) use such program integrity tools as the Sec-
4 retary may specify; and

5 (2) as directed by the Secretary, conduct user
6 accessibility testing on any new infrastructure devel-
7 oped by the Secretary pursuant to subsection (a)(2).

8 (c) ALLOCATION OF GRANT FUNDS.—

9 (1) IN GENERAL.—Funding for grants under
10 subsection (a)(3) shall be allocated according to a
11 formula established by the Secretary of Labor.

12 (2) REQUIREMENTS.—In establishing the for-
13 mula under paragraph (1), the Secretary of Labor
14 shall ensure that—

15 (A) each small State receives 48 percent of
16 the amount allocated to each large State;

17 (B) each medium State receives 65 percent
18 of the amount allocated to each large State;

19 (C) each large State receives the base allo-
20 cation determined by the Secretary of Labor;
21 and

22 (D) each extra large State receives an
23 amount equal to 133 percent of the amount al-
24 located to each large State.

25 (3) DEFINITIONS.—In this subsection:

1 (A) COVERED EMPLOYMENT.—The term
2 “covered employment” means employment sub-
3 ject to contributions under State unemployment
4 compensation law.

5 (B) EXTRA LARGE STATE.—The term
6 “extra large State” means a State with an av-
7 erage covered employment of at least 7,000,000
8 employees.

9 (C) LARGE STATE.—The term “large
10 State” means a State with an average covered
11 employment of at least 2,000,000 but less than
12 7,000,000 employees.

13 (D) MEDIUM STATE.—The term “medium
14 State” means a State with an average covered
15 employment of at least 1,000,000 but less than
16 2,000,000 employees.

17 (E) SMALL STATE.—The term “small
18 State” means a State with an average covered
19 employment of less than 1,000,000 employees.

20 (F) STATE.—The term “State” means the
21 50 States, the District of Columbia, the Com-
22 monwealth of Puerto Rico, and the United
23 States Virgin Islands.

1 **SEC. 506. UNEMPLOYMENT INSURANCE COMPENSATION**

2 **ADMINISTRATION.**

3 Using amounts available in the Artificial Intelligence
4 Horizon Fund under section 101(b), the Secretary of
5 Labor shall provide States and territories with—

6 (1) guidance on best practices for administra-
7 tion of unemployment insurance compensation bene-
8 fits, including identity verification, detecting and
9 preventing fraud, the use of artificial intelligence,
10 data collection, and staff training;

11 (2) common definitions of terms related to ad-
12 ministration of unemployment compensation bene-
13 fits; and

14 (3) greater access to technical assistance, oper-
15 ational support, and implementation guidance as it
16 relates to administration of unemployment com-
17 pensation programs.

18 **SEC. 507. PROGRAM EXPANSION STUDY AND REPORT.**

19 (a) STUDY.—

20 (1) IN GENERAL.—The Secretary of Labor shall
21 conduct a study on the feasibility and possible meth-
22 ods of providing unemployment compensation bene-
23 fits to covered workers. Such study shall include an
24 analysis of—

1 (A) the data necessary to calculate unem-
2 ployment compensation benefit amounts for
3 covered workers;

4 (B) the technology necessary to calculate
5 and administer unemployment compensation
6 benefits for covered workers;

7 (C) the measures needed to prevent waste,
8 fraud, and abuse of unemployment compensa-
9 tion benefits for covered workers;

10 (D) the administrative feasibility of allow-
11 ing covered workers to become eligible for un-
12 employment compensation benefits;

13 (E) the financing options for unemploy-
14 ment compensation benefits for covered work-
15 ers;

16 (F) the statutory changes necessary to rea-
17 sonably and effectively administer unemploy-
18 ment compensation benefits to covered workers,
19 including statutory definitions; and

20 (G) other items determined appropriate by
21 the Secretary.

22 (2) COVERED WORKER DEFINED.—In this sec-
23 tion, the term “covered worker” means an individual
24 who is not eligible for regular compensation under
25 State or Federal law because the individual—

1 (A) is self-employed;

2 (B) does not have a sufficient work his-
3 tory; or

4 (C) works as an independent contractor.

5 (b) REPORT.—Not later than 180 days after the date
6 of enactment of this section, the Secretary of Labor shall
7 submit to the Committee on Finance of the Senate and
8 the Committee on Ways and Means of the House of Rep-
9 resentatives a report on the study conducted under sub-
10 section (a).

11 **SEC. 508. WAGE INSURANCE AND SHORT-TIME COMPENSA-**
12 **TION GRANTS.**

13 (a) GRANTS AUTHORIZED.—Subject to the avail-
14 ability of funds for this purpose from the AI Horizon
15 Fund established in section 101(b), the Secretary of Labor
16 may award grants to States on a competitive basis to—

17 (1) establish or operate pilot programs to pro-
18 vide wage insurance to eligible individuals; or

19 (2) establish, expand, or enhance a short-time
20 compensation program.

21 (b) WAGE INSURANCE.—A State seeking a grant for
22 a wage insurance pilot program under subsection (a)(1)
23 may submit an application to the Secretary at such time,
24 in such a manner, and containing such information as the
25 Secretary may require, including a description of—

1 (1) individuals eligible for wage insurance pay-
2 ments under such a program, consideration of which
3 may be based on individual earnings loss in occupa-
4 tions, industries, regions, or employer groups deter-
5 mined to be impacted by artificial intelligence or re-
6 lated technological change;

7 (2) the program's design, including the dura-
8 tion of wage insurance payments (which shall not be
9 longer than 2 years), amount of wage insurance pay-
10 ments, employer reporting requirements, how the
11 State will partner with private employers, and other
12 design features as the Secretary may require; and

13 (3) how a State will evaluate such program, in-
14 cluding its impact on—

15 (A) reemployment and duration of reem-
16 ployment;

17 (B) wages upon reemployment, including
18 cumulative earnings over time; and

19 (C) unemployment and duration of unem-
20 ployment.

21 (c) SHORT-TIME COMPENSATION PROGRAM.—

22 (1) APPLICATION AND USE OF FUNDS.—A
23 State seeking a grant for a short-time compensation
24 program under subsection (a)(2) may submit an ap-
25 plication to the Secretary at such time, in such a

1 manner, and containing such information as the Sec-
2 retary may require, including a description of—

3 (A) how funds will be used, which may in-
4 clude—

5 (i) implementing or improving the ad-
6 ministration of a short-time compensation
7 program;

8 (ii) increasing participation, including
9 through promotion to, and enrollment of,
10 employers and workers and the creation or
11 support of rapid response teams to advise
12 employers about alternatives to layoffs;

13 (iii) providing technical assistance to
14 employers seeking to participate in a short-
15 time compensation program, including as-
16 sessing feasibility of participating in such a
17 program;

18 (iv) the development or enhancement
19 of systems to automate—

20 (I) the submission and approval
21 of plans and the filing and approval of
22 new claims; and

23 (II) ongoing short-time com-
24 pensation claims; and

1 (v) coordination of benefits with an
2 existing unemployment compensation pro-
3 gram; and

4 (B) how the program will be evaluated for
5 effectiveness in preventing layoffs.

6 (2) TESTING.—A State seeking a grant for a
7 short-time compensation program under subsection
8 (a)(2) may test approaches to increasing the use and
9 effectiveness of short-time compensation, including
10 approaches designed to prevent layoffs resulting
11 from artificial intelligence or technological change.

12 (d) EVALUATION AND REPORT.—

13 (1) ONGOING EVALUATION.—The Secretary
14 shall conduct an ongoing evaluation of the grants
15 made under this section.

16 (2) REPORT.—Not more than 5 years after the
17 date on which the Secretary begins to make grants
18 under this section, and annually thereafter, the Sec-
19 retary shall submit to the Committee on Health,
20 Education, Labor, and Pensions and the Committee
21 on Finance of the Senate and the Committee on
22 Ways and Means of the House of Representatives a
23 report on the evaluation conducted under paragraph
24 (1), together with recommendations for such legisla-

1 tion and administrative action as the Secretary de-
2 termines appropriate.

3 (e) RECOUPMENT.—The Secretary shall establish a
4 process under which the Secretary shall recoup the
5 amount of any grant awarded to a State under the author-
6 ization in subsection (a) if the Secretary determines that,
7 during the 2-year period beginning on the first date that
8 any such grant is awarded to the State, the State—

9 (1) in the case of—

10 (A) a grant under subsection (a)(1), termi-
11 nated the State’s wage insurance program; or

12 (B) a grant under subsection (a)(2), termi-
13 nated the State’s short-time compensation pro-
14 gram; or

15 (2) failed to meet appropriate requirements
16 with respect to the applicable program (as estab-
17 lished by the Secretary).

18 (f) ADMINISTRATION.—The Secretary is authorized
19 to use 0.25 percent of the funds available under this sec-
20 tion to provide for outreach and to share best practices
21 with respect to this section.

22 (g) DEFINITIONS.—In this section:

23 (1) SECRETARY.—The term “Secretary” means
24 the Secretary of Labor.

1 (2) SHORT-TIME COMPENSATION PROGRAM.—

2 The term “short-time compensation program” has
3 the meaning given such term in section 3306(v) of
4 the Internal Revenue Code of 1986.

5 (3) STATE.—The term “State” means the 50
6 States, the District of Columbia, the Commonwealth
7 of Puerto Rico, and the United States Virgin Is-
8 lands.

9 (4) WAGE INSURANCE.—The term “wage insur-
10 ance” means payments to an eligible individual who
11 obtains reemployment at wages lower than the wages
12 received by the individual at the time of separation
13 from prior employment, in an amount equal to a
14 specified percentage of the difference between—

15 (A) the wages received by the individual at
16 the time of separation; and

17 (B) the wages received by the individual
18 from reemployment.

19 **TITLE VI—TRAINING WORKERS**
20 **FOR AMERICA**

21 **SEC. 601. UNIFIED STATE PLAN.**

22 Section 102 of the Workforce Innovation and Oppor-
23 tunity Act (29 U.S.C. 3112) is amended—

1 (1) in subsection (a), by inserting “and receive
2 funding allocated from the Artificial Intelligence Ho-
3 rizon Fund” after “core programs”; and

4 (2) in subsection (b)—

5 (A) in paragraph (1)—

6 (i) in subparagraph (A)—

7 (I) in clause (i), by striking
8 “and” at the end;

9 (II) in clause (ii), by adding
10 “and” at the end; and

11 (III) by adding at the end the
12 following:

13 “(iii) the impact of artificial intel-
14 ligence on existing and projected employ-
15 ment within the State, including informa-
16 tion identifying industry sectors and occu-
17 pations at higher risk of task or job dis-
18 placement due to artificial intelligence
19 adoption;”;

20 (ii) in subparagraph (D)—

21 (I) by striking “educated and
22 skilled” and inserting “educated,
23 skilled, and artificial intelligence-lit-
24 erate”; and

1 (II) by inserting “a description of
2 how such preparation will address
3 labor market impacts of artificial in-
4 telligence and” before “goals”;

5 (iii) in subparagraph (E), by inserting
6 “, with a description of how the State has
7 considered artificial intelligence literacy in
8 developing such strategy,” after “a strat-
9 egy”; and

10 (B) in paragraph (2)—

11 (i) in subparagraph (B)—

12 (I) in clause (v), by striking
13 “and” at the end;

14 (II) in clause (vi), by striking the
15 period at the end and inserting a
16 semicolon;

17 (III) by adding at the end the
18 following:

19 “(vii) how the State’s strategy will en-
20 sure participating individuals receive artifi-
21 cial intelligence-related education, training,
22 and skill development through the activi-
23 ties described in clause (i);

1 “(viii) how the State’s strategy will
2 engage and provide services to midcareer
3 professionals; and

4 “(ix) how the State will coordinate ac-
5 tivities with the State Commission on Na-
6 tional and Community Service for the
7 State, including with respect to the Na-
8 tional Service for America’s Future pro-
9 gram under subtitle K of title I of the Na-
10 tional and Community Service Act of
11 1990, as added by title III of the Make AI
12 Work for Americans Act.”.

13 **SEC. 602. COMBINED STATE PLAN.**

14 (a) REQUIREMENTS.—Section 103(b) of the Work-
15 force Innovation and Opportunity Act (29 U.S.C.
16 3113(b)) is amended by adding at the end the following:

17 “(4) CONSIDERATION OF ARTIFICIAL INTEL-
18 LIGENCE.—Such plan shall include, in each portion
19 described in paragraph (1), a description of how ar-
20 tificial intelligence and its impact on the programs
21 or activities covered in that portion were considered
22 in the development of the plan.”.

23 (b) PLANNING GRANTS.—Section 103 of the Work-
24 force Innovation and Opportunity Act (29 U.S.C. 3113)
25 is amended—

1 (1) by redesignating subsection (d) as sub-
2 section (e); and

(2) by inserting after subsection (c) the following:

5 “(d) PLANNING GRANTS.—

6 “(1) GRANTS AUTHORIZED.—Using the sum re-
7 ceived from the Artificial Intelligence Horizon Fund
8 and allocated under section 101 of the Make AI
9 Work for Americans Act for use under this sub-
10 section, the Secretary of Labor may award grants to
11 States to improve State capacity to develop and sub-
12 mit a combined State plan as described in this sec-
13 tion.

“(2) APPLICATION.—A State desiring a grant under this section shall submit an application to the Secretary of Labor at such time, in such manner, and containing such information as the Secretary may require.

19 “(3) USE OF FUNDS.—A State that receives a
20 grant under this section may use the grant funds
21 to—

“(A) facilitate coordination and collaboration among employers, labor organizations, education and training providers, and State agencies to develop the combined State plan;

1 “(B) develop strategies for effectively inte-
2 grating planning for programs described in sub-
3 section (a)(2) into a combined State plan;

4 “(C) align education and training pro-
5 grams, career pathways, credentials, and defini-
6 tions across programs included in the combined
7 State plan; and

8 “(D) support staff capacity, and support
9 activities, necessary to develop the combined
10 State plan.”.

11 (3) CONFORMING AMENDMENT.—Section
12 103(c)(1) of the Workforce Innovation and Oppor-
13 tunity Act (29 U.S.C. 3113(c)(1)) is amended by
14 striking “subsection (d)” and inserting “subsection
15 (e)”.

16 **SEC. 603. FUNCTIONS OF LOCAL BOARD.**

17 Section 107(d)(4)(B) of the Workforce Innovation
18 and Opportunity Act (29 U.S.C. 3122(d)(4)(B)) is amend-
19 ed by inserting “and industry and sector partnerships”
20 after “intermediaries”.

21 **SEC. 604. INDIVIDUAL TRAINING ACCOUNTS.**

22 (a) YOUTH.—Section 129(c) of the Workforce Inno-
23 vation and Opportunity Act (29 U.S.C. 3164(c)) is amend-
24 ed by adding at the end the following:

25 “(9) INDIVIDUAL TRAINING ACCOUNTS.—

1 “(A) IN GENERAL.—Subject to subpara-
2 graph (B), funds allocated as described in para-
3 graph (1) to a local area, and the sum received
4 from the Artificial Intelligence Horizon Fund
5 and allocated under section 101 of the Make AI
6 Work for Americans Act for use under this
7 paragraph, may be used to pay, through an in-
8 dividual training account, an eligible provider of
9 training services described in section 122(d) for
10 training services described in section 134(c)(3)
11 provided to eligible youth. The payment shall be
12 made in the same manner that an individual
13 training account described in subparagraph
14 (F)(iii) of section 134(c)(3) is used to pay an
15 eligible provider of training services for training
16 services provided to an adult or dislocated
17 worker, including as provided in subparagraphs
18 (F) and (G) of such section.

19 “(B) SPECIAL RULE FOR IN-SCHOOL
20 YOUTH YOUNGER THAN AGE 18.—To use an in-
21 dividual training account to pay for a program
22 of training services that will take place during
23 regular school hours for an in-school youth who
24 is younger than the age 18, the local area shall
25 receive written approval from the secondary

1 school at which the in-school youth is enrolled
2 prior to the start of the program of training
3 services.

4 “(C) FUNDING FROM ARTIFICIAL INTEL-
5 LIGENCE HORIZON FUND.—

6 “(i) GRANTS TO LOCAL AREAS.—

7 “(I) GRANTS.—In addition to
8 any amount allocated as described in
9 paragraph (1), the Secretary shall
10 make grants to local areas, from allo-
11 cations made under subclause (II), for
12 the provision of training services
13 (which may consist of postsecondary
14 education) through individual training
15 accounts, as described in subpara-
16 graph (A), to eligible youth.

17 “(II) ALLOCATION OF FUNDS.—

18 Using the sum received from the Arti-
19 ficial Intelligence Horizon Fund and
20 allocated under section 101 of the
21 Make AI Work for Americans Act for
22 use under this paragraph for a fiscal
23 year, the Secretary shall allocate to
24 each local area for that fiscal year an
25 amount that bears the same relation-

1 ship to that sum as the amount the
2 local area receives under section
3 128(b) for that fiscal year bears to
4 the total amount that all local areas
5 so receive.

6 “(ii) LOCAL AREAS.—As a condition
7 of receipt of funds under clause (i), a local
8 area shall agree that the local area will
9 not—

10 “(I) limit the maximum amount
11 available for an individual training ac-
12 count for an eligible youth under this
13 subparagraph to an amount that is
14 less than \$7,000; or

15 “(II) pay an amount, through the
16 use of an individual training account
17 under this subparagraph, for training
18 services provided to an eligible youth
19 that exceeds the costs of such serv-
20 ices.

21 “(iii) LOCAL AREA COORDINATION.—
22 Each local area may, through one-stop cen-
23 ters, coordinate funding for individual
24 training accounts described in subpara-
25 graph (A) with funding from other Fed-

1 eral, State, local, or private job training
2 programs or sources, including the Artifi-
3 cial Intelligence Horizon Fund, to assist el-
4 igible youth in obtaining training services.

5 “(iv) PROVIDERS.—The local area
6 shall enter into agreements with providers
7 on the list of eligible providers of training
8 services under section 122(d) to provide
9 training services under this subparagraph,
10 with funding provided through direct pay-
11 ments made through individual training
12 accounts, as described in section
13 134(c)(3)(F)(iii).

14 “(v) ELIGIBLE YOUTH.—To be con-
15 sidered an eligible youth under this para-
16 graph, a youth shall be an in-school youth
17 who is not younger than age 16 and not
18 older than age 21 or an out-of-school
19 youth.”.

20 (b) DISLOCATED WORKERS AND ADULTS.—Section
21 134(c)(3) of the Workforce Innovation and Opportunity
22 Act (29 U.S.C. 3174(c)(3)) is amended—

23 (1) by redesignating subparagraph (H) as sub-
24 paragraph (I); and

1 (2) by inserting after subparagraph (G) the fol-
2 lowing:

3 “(H) FUNDING FROM ARTIFICIAL INTEL-
4 LIGENCE HORIZON FUND.—

5 “(i) IN GENERAL.—Funds allocated
6 as described in subparagraph (A) to a local
7 area, and the sum received from the Artifi-
8 cial Intelligence Horizon Fund and allo-
9 cated under section 101 of the Make AI
10 Work for Americans Act for use under this
11 subparagraph, may be used to pay,
12 through an individual training account
13 under subparagraph (F)(iii), an eligible
14 provider of training services described in
15 section 122(d) for training services de-
16 scribed in this paragraph.

17 “(ii) GRANTS TO LOCAL AREAS.—

18 “(I) GRANTS.—In addition to
19 any amount allocated as described in
20 subparagraph (A), the Secretary shall
21 make grants to local areas, from allo-
22 cations made under subclause (II), for
23 the provision of training services
24 (which may consist of postsecondary
25 education) through individual training

1 accounts, as described in clause (i), to
2 eligible adults and dislocated workers.

3 “(II) ALLOCATION OF FUNDS.—

4 Using the sum received from the Arti-
5 ficial Intelligence Horizon Fund and
6 allocated under section 101 of the
7 Make AI Work for Americans Act for
8 use under this subparagraph for a fis-
9 cal year, the Secretary shall allocate
10 to each local area for that fiscal year
11 an amount that bears the same rela-
12 tionship to that sum as the amount
13 the local area receives under section
14 133(b) for that fiscal year bears to
15 the total amount that all local areas
16 so receive.

17 “(iii) LOCAL AREAS.—As a condition
18 of receipt of funds under clause (ii), a local
19 area shall agree to each of the following:

20 “(I) REQUIRED NOTICE TO
21 ADULTS AND DISLOCATED WORK-
22 ERS.—Prior to an eligible adult or
23 dislocated worker selecting a program
24 of training services from the list of el-
25 igible providers of training services

1 under section 122(d), the local area
2 shall inform such adult or dislocated
3 worker of any opportunities the adult
4 or dislocated may have to participate
5 in on-the-job training or employer-di-
6 rected skills development funded
7 through such local area.

8 “(II) AMOUNTS AVAILABLE.—A
9 local area—

10 “(aa) may not limit the
11 maximum amount available for
12 an individual training account for
13 an eligible adult or dislocated
14 worker under this subparagraph
15 to an amount that is less than
16 \$7,000; and

17 “(bb) may not pay an
18 amount, through the use of an
19 individual training account under
20 this subparagraph, for training
21 services provided to an eligible
22 adult or dislocated worker that
23 exceeds the costs of such services.

24 “(iv) LOCAL AREA COORDINATION.—

25 Each local area may, through one-stop cen-

1 ters, coordinate funding for individual
2 training accounts described in clause (i)
3 with funding from other Federal, State,
4 local, or private job training programs or
5 sources, including the Artificial Intelligence
6 Horizon Fund, to assist eligible adults or
7 dislocated workers in obtaining training
8 services.

9 “(v) PROVIDERS.—The local area
10 shall enter into agreements with eligible
11 providers described in clause (iii)(I) to pro-
12 vide training services under this subpara-
13 graph, with funding provided through di-
14 rect payments made through individual
15 training accounts, as described in section
16 134(c)(3)(F)(iii).

17 “(vi) ELIGIBLE ADULT.—To be con-
18 sidered an eligible adult or dislocated
19 worker under this subparagraph, an adult
20 or dislocated worker shall have not received
21 training services through an individual
22 training account under section 129(c) dur-
23 ing the preceding 5-year period or, if such
24 adult or dislocated worker has received
25 such training services during such period,

1 have been granted an exception by the
2 local area due to an exceptional cir-
3 cumstance, as determined by the local
4 area.”.

5 (c) CONFORMING AMENDMENT.—Section 3(44)(B) of
6 the Workforce Innovation and Opportunity Act (29 U.S.C.
7 3102(44)(B)) is amended by striking “section
8 134(c)(3)(H)” and inserting “section 134(c)(3)(I)”.

9 **SEC. 605. STRENGTHENING COMMUNITY COLLEGES WORK-**
10 **FORCE DEVELOPMENT GRANTS PROGRAM.**

11 (a) PROGRAM.—Subtitle D of title I of the Workforce
12 Innovation and Opportunity Act (29 U.S.C. 3221 et seq.),
13 as amended by section 402, is further amended by insert-
14 ing after section 172, as inserted by section 402, the fol-
15 lowing:

16 **“SEC. 173. STRENGTHENING COMMUNITY COLLEGES WORK-**
17 **FORCE DEVELOPMENT GRANTS PROGRAM.**

18 “(a) PURPOSES.—The purposes of this section are—

19 “(1) to establish, improve, or expand high-qual-
20 ity workforce development programs at community
21 colleges; and

22 “(2) to expand opportunities for individuals to
23 obtain recognized postsecondary credentials that are
24 nationally or regionally portable and stackable for

1 high-skill, high-wage, or in-demand industry sectors
2 or occupations.

3 “(b) STRENGTHENING COMMUNITY COLLEGES
4 WORKFORCE DEVELOPMENT GRANTS PROGRAM.—

5 “(1) IN GENERAL.—From the amounts appro-
6 priated to carry out this section under section
7 173(e) and not reserved under paragraph (2), the
8 Secretary shall, on a competitive basis, make grants
9 to eligible institutions to carry out the activities de-
10 scribed in subsection (e).

11 “(2) RESERVATION.—Of the amounts appro-
12 priated to carry out this section under section
13 173(e), the Secretary may reserve not more than 2
14 percent for the administration of grants awarded
15 under this section, including—

16 “(A) providing technical assistance and
17 targeted outreach to support eligible institu-
18 tions serving a high number or high percentage
19 of low-income individuals or individuals with
20 barriers to employment, and rural-serving eligi-
21 ble institutions, to provide guidance and assist-
22 ance in the process of applying for grants under
23 this section; and

24 “(B) evaluating and reporting on the per-
25 formance and impact of programs funded under

1 this section in accordance with subsections (f)
2 through (h).

3 “(c) AWARD PERIOD.—

4 “(1) INITIAL GRANT PERIOD.—Each grant
5 under this section shall be awarded for an initial pe-
6 riod of not more than 4 years.

7 “(2) SUBSEQUENT GRANTS.—An eligible insti-
8 tution that receives an initial grant under this sec-
9 tion may receive one or more additional grants
10 under this section for additional periods of not more
11 than 4 years each if the eligible institution dem-
12 onstrates that, during the most recently completed
13 grant period for a grant received under this section,
14 such eligible institution achieved the levels of per-
15 formance agreed to by the eligible institution with
16 respect to the performance indicators specified in
17 subsection (f).

18 “(d) APPLICATION.—

19 “(1) IN GENERAL.—To be eligible to receive a
20 grant under this section, an eligible institution shall
21 submit an application to the Secretary at such time
22 and in such manner as the Secretary may require.

23 “(2) CONTENTS.—An application submitted by
24 an eligible institution under paragraph (1) shall in-
25 clude a description of each the following:

1 “(A) The extent to which the eligible insti-
2 tution has demonstrated success building part-
3 nerships with employers in in-demand industry
4 sectors or occupations to provide students with
5 the skills needed for occupations in such indus-
6 tries and an explanation of the results of any
7 such partnerships.

8 “(B) The methods and strategies the eligi-
9 ble institution will use to engage with employers
10 in in-demand industry sectors or occupations,
11 including any arrangements to place individuals
12 who complete the workforce development pro-
13 grams supported by the grant into employment
14 with such employers.

15 “(C) The proposed eligible institution and
16 industry partnership that the eligible institution
17 will establish or maintain to comply with sub-
18 section (e)(1), including—

19 “(i) the roles and responsibilities of
20 each employer, organization, agency, or in-
21 stitution of higher education that the eligi-
22 ble institution will partner with to carry
23 out the activities under this section; and

1 “(ii) the needs that will be addressed
2 by such eligible institution and industry
3 partnership.

4 “(D) One or more industries that such
5 partnership will target and real-time labor mar-
6 ket data demonstrating that those industries
7 are aligned with employer demand in the geo-
8 graphic area to be served by the eligible institu-
9 tion.

10 “(E) The extent to which the eligible insti-
11 tution can—

12 “(i) leverage additional resources to
13 support the programs to be funded with
14 the grant, which shall include written com-
15 mitments of any leveraged or matching
16 funds for the proposed programs; and

17 “(ii) demonstrate the future sustain-
18 ability of each such program.

19 “(F) The steps the institution will take to
20 ensure the high quality of each program to be
21 funded with the grant, including the career
22 pathways within such programs.

23 “(G) The population and geographic area
24 to be served by the eligible institution, including

1 the number of individuals the eligible institution
2 intends to serve during the grant period.

3 “(H) The workforce development programs
4 to be supported by the grant.

5 “(I) The recognized postsecondary creden-
6 tials that are expected to be earned by partici-
7 pants in such workforce development programs
8 and the related high-wage, high skill, or in-de-
9 mand industry sectors or occupations for which
10 such programs will prepare participants.

11 “(J) The evidence upon which the edu-
12 cation and skills development strategies to be
13 used in such workforce development programs
14 are based and an explanation of how such evi-
15 dence influenced the design of the programs to
16 improve education and employment outcomes.

17 “(K) How activities of the eligible institu-
18 tion are expected to align with the workforce
19 strategies identified in—

20 “(i) any State plan or local plan sub-
21 mitted under this Act by the State, out-
22 lying area, or locality in which the eligible
23 institution is expected to operate;

24 “(ii) any State plan submitted under
25 section 122 of the Carl D. Perkins Career

1 and Technical Education Act of 2006 (20
2 U.S.C. 2342) by such State or outlying
3 area; and

4 “(iii) any economic development plan
5 of the chief executive of such State or out-
6 lying area.

7 “(L) The goals of the eligible institution
8 with respect to—

9 “(i) capacity building (as described in
10 subsection (f)(1)(B)); and

11 “(ii) the expected performance of indi-
12 viduals participating in the programs to be
13 offered by the eligible institution, including
14 with respect to performance indicators ap-
15 plicable under section 116 or subsection (f)
16 of this section.

17 “(M) Any coordination the eligible institu-
18 tion plans to undertake with the State Commis-
19 sion on National and Community Service for
20 the State in which the eligible institution is ex-
21 pected to operate, including with respect to the
22 co-enrollment, in the workforce development
23 programs to be supported by the grant, of par-
24 ticipants in the National Service for America’s
25 Future program under subtitle K of title I of

1 the National and Community Service Act of
2 1990, as added by title III of the Make AI
3 Work for Americans Act, or of other partici-
4 pants in national service programs.

5 “(3) CONSIDERATION OF PREVIOUS EXPERI-
6 ENCE.—The Secretary may not disqualify an eligible
7 institution from receiving a grant under this section
8 solely because such institution lacks previous experi-
9 ence in building partnerships, as described in para-
10 graph (2)(A).

11 “(4) PRIORITY.—In awarding grants under this
12 section, the Secretary shall give priority to eligible
13 institutions that—

14 “(A) will use the grant to serve—

15 “(i) individuals with barriers to em-
16 ployment; or

17 “(ii) incumbent workers who need to
18 gain or improve foundational skills, includ-
19 ing skills related to technology and artifi-
20 cial intelligence, to enhance their employ-
21 ability;

22 “(B) use competency-based assessments to
23 award academic credit for prior learning for
24 programs supported by the grant; or

1 “(C) have, or will seek to have, the career
2 education programs supported by the grant in-
3 cluded on the list of eligible providers of train-
4 ing services under section 122 for the State in
5 which the eligible institution is located.

6 “(e) USES OF FUNDS.—

7 “(1) ELIGIBLE INSTITUTION AND INDUSTRY
8 PARTNERSHIP.—For the purpose of carrying out the
9 activities specified in paragraphs (2) and (3), an eli-
10 gible institution that receives a grant under this sec-
11 tion shall establish a partnership (or maintain an ex-
12 isting partnership) with one or more employers in an
13 in-demand industry sector or occupation (in this sec-
14 tion referred to as an ‘eligible institution and indus-
15 try partnership’) and shall maintain such partner-
16 ship for the duration of the grant period. The eligi-
17 ble institution shall ensure that the partnership—

18 “(A) targets one or more specific high-
19 skill, high-wage, or in-demand industries;

20 “(B) includes collaboration with the work-
21 force development system;

22 “(C) serves adult and dislocated workers,
23 incumbent workers, and new entrants to the
24 workforce;

1 “(D) uses an evidence-based program de-
2 sign that is appropriate for the activities carried
3 out by the partnership;

4 “(E) incorporates opportunities for work-
5 based learning, as defined in section 3 of the
6 Carl D. Perkins Career and Technical Edu-
7 cation Act of 2006 (20 U.S.C. 2302); and

8 “(F) incorporates, to the extent appro-
9 priate, virtual service delivery to facilitate tech-
10 nology-enabled learning.

11 “(2) REQUIRED ACTIVITIES.—An eligible insti-
12 tution that receives a grant under this section shall,
13 in consultation with the employers in the eligible in-
14 stitution and industry partnership described in para-
15 graph (1)—

16 “(A) establish, improve, or expand high
17 quality, evidence-based workforce development
18 programs, career pathway programs, or work-
19 based learning programs (including apprentice-
20 ship programs or preapprenticeships);

21 “(B) provide career services to individuals
22 participating in the programs funded with the
23 grant to facilitate retention and program com-
24 pletion, which may include—

1 “(i) career navigation, coaching,
2 mentorship, and case management serv-
3 ices, including providing information and
4 outreach to individuals with barriers to
5 employment to encourage such individuals
6 to participate in programs funded with the
7 grant; and

8 “(ii) providing access to course mate-
9 rials, technological devices, required equip-
10 ment, and other supports necessary for
11 participation in and successful completion
12 of such programs; and

13 “(C) make available, in a format that is
14 open, searchable, and easily comparable, infor-
15 mation on—

16 “(i) curricula and recognized postsec-
17 ondary credentials offered through pro-
18 grams funded with the grant, including
19 any curricula or credentials created or fur-
20 ther developed using such grant, which for
21 each recognized postsecondary credential,
22 shall include—

23 “(I) the issuing entity of such
24 credential;

1 “(II) any third-party endorse-
2 ments of such credential;

3 “(III) the occupations for which
4 the credential prepares individuals;

5 “(IV) the skills and competencies
6 necessary to achieve to earn such cre-
7 dential;

8 “(V) the level of mastery of such
9 skills and competencies (including how
10 mastery is assessed); and

11 “(VI) any transfer value or
12 stackability of the credential;

13 “(ii) any skills or competencies devel-
14 oped by individuals who participate in such
15 programs beyond the skills and com-
16 petencies identified as part of the recog-
17 nized postsecondary credential awarded;
18 and

19 “(iii) related employment and earn-
20 ings outcomes on the primary indicators of
21 performance described in subclauses (I)
22 through (III) of section 116(b)(2)(A)(i).

23 “(3) ADDITIONAL ACTIVITIES.—In addition to
24 the activities required under paragraph (2), an eligi-
25 ble institution that receives a grant under this sec-

tion shall, in consultation with the employers in the eligible institution and industry partnership described in paragraph (1), carry out one or more of the following activities:

“(A) Establish, improve, or expand—

“(i) articulation agreements (as defined in section 486A(a) of the Higher Education Act of 1965 (20 U.S.C. 1093a(a)));

“(ii) credit transfer agreements;

“(iii) corequisite remediation programs that enable a student to receive remedial education services while enrolled in a postsecondary course rather than requiring the student to receive remedial education before enrolling in such a course;

“(iv) dual or concurrent enrollment programs;

“(v) competency-based education and assessment; or

“(vi) policies and processes to award academic credit for prior learning or for the programs described in paragraph (2)(A).

1 “(B) Establish or implement plans for pro-
2 viders of the programs described in paragraph
3 (2)(A) to meet the criteria and carry out the
4 procedures necessary to be included on the list
5 of eligible providers of training services de-
6 scribed in section 122(d).

7 “(C) Purchase, lease, or refurbish special-
8 ized equipment as necessary to carry out such
9 programs, provided that not more than 15 per-
10 cent of the funds awarded to the eligible insti-
11 tution under this section may be used for activi-
12 ties described in this subparagraph.

13 “(D) Reduce or eliminate unmet financial
14 need relating to the cost of attendance (as de-
15 fined under section 472 of the Higher Edu-
16 cation Act of 1965 (20 U.S.C. 1087ll)) of par-
17 ticipants in such programs.

18 “(4) ADMINISTRATIVE COST LIMIT.—An eligible
19 institution may use not more than 7 percent of the
20 funds awarded under this section for administrative
21 costs, including costs related to collecting informa-
22 tion, analysis, and coordination for purposes of sub-
23 section (f).

24 “(f) LEVELS OF PERFORMANCE AND PERFORMANCE
25 REVIEWS.—

1 “(1) IN GENERAL.—The Secretary shall develop
2 and implement guidance that establishes the levels
3 of performance that are expected to be achieved by
4 each eligible institution receiving a grant under this
5 section. Such levels of performance shall be estab-
6 lished on the following indicators:

7 “(A) Each of the primary indicators of
8 performance for adults described in section
9 116(b), which shall be applied for all individuals
10 who participated in a program that received
11 funding from a grant under this section.

12 “(B) The extent to which the eligible insti-
13 tution built capacity by—

14 “(i) increasing the breadth and depth
15 of employer engagement and investment in
16 workforce development programs in the in-
17 demand industry sectors and occupations
18 targeted by the eligible institution and in-
19 dustry partnership established or main-
20 tained by the eligible institution under sub-
21 section (e)(1);

22 “(ii) designing or implementing new
23 and accelerated instructional techniques or
24 technologies, including the use of advanced

1 online and technology-enabled learning
2 (such as immersive technology); and

3 “(iii) increasing program and policy
4 alignment across systems and decreasing
5 duplicative services or service gaps.

6 “(C) With respect to individuals who par-
7 ticipated in a workforce development program
8 funded with the grant—

9 “(i) the percentage of participants
10 who successfully completed the program;
11 and

12 “(ii) of the participants who were in-
13 cumbent workers at the time of enrollment
14 in the program, the percentage who ad-
15 vanced into higher level positions during or
16 after completing the program.

17 “(2) CONSULTATION AND DETERMINATION OF
18 LEVELS OF PERFORMANCE.—

19 “(A) CONSIDERATION.—In developing lev-
20 els of performance in accordance with para-
21 graph (1), the Secretary shall take into consid-
22 eration the goals of the eligible institution pur-
23 suant to subsection (d)(2)(L).

24 “(B) DETERMINATION.—After completing
25 the consideration required under subparagraph

1 (A), the Secretary shall separately determine
2 the levels of performance that will apply to each
3 eligible institution, taking into account—

4 “(i) the expected levels of performance
5 of each eligible institution with respect to
6 the goals described by the eligible institu-
7 tion pursuant to subsection (d)(2)(L); and

8 “(ii) local economic conditions in the
9 geographic area to be served by the eligible
10 institution, including differences in unem-
11 ployment rates and job losses or gains in
12 particular industries.

13 “(C) NOTICE AND ACKNOWLEDGMENT.—

14 “(i) NOTICE.—The Secretary shall
15 provide each eligible institution with a
16 written notification that sets forth the lev-
17 els of performance that will apply to the el-
18 igible institution, as determined under sub-
19 paragraph (B).

20 “(ii) ACKNOWLEDGMENT.—After re-
21 ceiving the notification described in clause
22 (i), each eligible institution shall submit to
23 the Secretary written confirmation that the
24 eligible institution—

25 “(I) received the notification; and

1 “(II) agrees to be evaluated in
2 accordance with the levels of perform-
3 ance determined by the Secretary.

4 “(3) PERFORMANCE REVIEWS.—On an annual
5 basis during each year of the grant period, the Sec-
6 retary shall evaluate the performance during such
7 year of each eligible institution receiving a grant
8 under this section in a manner consistent with the
9 levels of performance determined for such institution
10 pursuant to paragraph (2).

11 “(4) FAILURE TO MEET LEVELS OF PERFORM-
12 ANCE.—After conducting an evaluation under para-
13 graph (3), if the Secretary determines that an eligi-
14 ble institution did not achieve the levels of perform-
15 ance applicable to the eligible institution under para-
16 graph (2), the Secretary shall—

17 “(A) provide technical assistance to the eli-
18 gible institution; and

19 “(B) develop a performance improvement
20 plan for the eligible institution.

21 “(g) EVALUATIONS AND REPORTS.—

22 “(1) IN GENERAL.—Not later than 4 years
23 after the date on which the first grant is made
24 under this section, the Secretary shall design and
25 conduct an evaluation to determine the overall effec-

1 tiveness of the eligible institutions receiving a grant
2 under this section.

3 “(2) ELEMENTS.—The evaluation of the effec-
4 tiveness of eligible institutions conducted under
5 paragraph (1) shall include an assessment of the
6 general effectiveness of programs and activities sup-
7 ported by the grants awarded to such eligible insti-
8 tutions under this section, including the extent to
9 which the programs and activities—

10 “(A) developed new, or expanded existing,
11 successful industry sector strategies, including
12 the extent to which such eligible institutions
13 deepened employer engagement and developed
14 workforce development programs that met in-
15 dustry skill needs;

16 “(B) created, expanded, or enhanced ca-
17 reer pathways, including the extent to which the
18 eligible institutions developed or improved com-
19 petency-based education and assessment, credit
20 for prior learning, modularized and self-paced
21 curricula, integrated education and workforce
22 development, dual enrollment in secondary and
23 postsecondary career pathways, stacked and
24 latticed credentials, and online and distance
25 learning;

1 “(C) created alignment between eligible in-
2 stitutions and the workforce development sys-
3 tem;

4 “(D) assisted individuals with finding, re-
5 taining, or advancing in employment;

6 “(E) assisted individuals with earning rec-
7 ognized postsecondary credentials; and

8 “(F) provided equal access to various de-
9 mographic groups, including people of different
10 geographic locations, ages, races, national ori-
11 gins, and sexes.

12 “(3) DESIGN REQUIREMENTS.—The evaluation
13 under this subsection shall—

14 “(A) be designed by the Secretary (acting
15 through the Chief Evaluation Officer) in con-
16 junction with the eligible institutions being eval-
17 uated;

18 “(B) include analysis of program partici-
19 pant feedback and outcome and process meas-
20 ures; and

21 “(C) use designs that employ the most rig-
22 orous analytical and statistical methods that
23 are reasonably feasible, such as the use of con-
24 trol groups.

1 “(4) DATA ACCESSIBILITY.—The Secretary
2 shall make available on a publicly accessible website
3 of the Department of Labor any data collected as
4 part of the evaluation under this subsection. Such
5 data shall be made available in an aggregated for-
6 mat that does not reveal personally identifiable in-
7 formation and that ensures compliance with relevant
8 Federal laws, including section 444 of the General
9 Education Provisions Act (commonly known as the
10 ‘Family Educational Rights and Privacy Act of
11 1974’) (20 U.S.C. 1232g).

12 “(5) PUBLICATION AND REPORTING OF EVAL-
13 UATION FINDINGS.—The Secretary (acting through
14 the Chief Evaluation Officer) shall—

15 “(A) in accordance with the timeline deter-
16 mined to be appropriate by the Chief Evalua-
17 tion Officer, publish an interim report on the
18 preliminary results of the evaluation conducted
19 under this subsection;

20 “(B) not later than 60 days after the date
21 on which the evaluation is completed under this
22 subsection, submit to the Committee on Health,
23 Education, Labor, and Pensions of the Senate
24 and the Committee on Education and Work-

1 force of the House of Representatives a report
2 on such evaluation; and

3 “(C) not later than 90 days after such
4 completion date, publish and make the results
5 of such evaluation available on a publicly acces-
6 sible website of the Department of Labor.

7 “(h) ANNUAL REPORTS.—The Secretary shall make
8 available on a publicly accessible website of the Depart-
9 ment of Labor, in transparent, linked, open, and inter-
10 operable data formats, the following information:

11 “(1) The performance of eligible institutions on
12 the capacity-building performance indicator set forth
13 under subsection (f)(1)(B).

14 “(2) The performance of eligible institutions on
15 the workforce development participant outcome per-
16 formance indicators set forth under subsection
17 (f)(1)(C).

18 “(3) The number of individuals enrolled in
19 workforce development programs funded with a
20 grant under this section.

21 “(i) DEFINITIONS.—In this section:

22 “(1) COMMUNITY COLLEGE.—The term ‘com-
23 munity college’ means—

24 “(A) a public institution of higher edu-
25 cation (as defined in section 101(a) of the

1 Higher Education Act (20 U.S.C. 1001(a)), at
2 which—

3 “(i) the highest degree awarded is an
4 associate degree; or

5 “(ii) an associate degree is the most
6 frequently awarded degree;

7 “(B) a branch campus of a 4-year public
8 institution of higher education (as defined in
9 section 101 of the Higher Education Act of
10 1965 (20 U.S.C. 1001)), if, at such branch
11 campus—

12 “(i) the highest degree awarded is an
13 associate degree; or

14 “(ii) an associate degree is the most
15 frequently awarded degree;

16 “(C) a 2-year Tribal College or University
17 (as defined in section 316(b)(3) of the Higher
18 Education Act of 1965 (20 U.S.C.
19 1059c(b)(3))); or

20 “(D) a degree-granting Tribal College or
21 University (as defined in section 316(b)(3) of
22 the Higher Education Act of 1965 (20 U.S.C.
23 1059c(b)(3))) at which—

24 “(i) the highest degree awarded is an
25 associate degree; or

1 “(ii) an associate degree is the most
2 frequently awarded degree.

3 “(2) ELIGIBLE INSTITUTION.—The term ‘eligi-
4 ble institution’ means—

5 “(A) a community college;

6 “(B) a postsecondary vocational institution
7 (as defined in section 102(c) of the Higher
8 Education Act of 1965 (20 U.S.C. 1002(c))); or

9 “(C) a consortium of such colleges or insti-
10 tutions.

11 “(j) SUPPLEMENT NOT SUPPLANT.—Funds made
12 available under this section shall be used to supplement,
13 and not supplant, other Federal, State, and local public
14 funds made available for carrying out the activities de-
15 scribed in this section.”.

16 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
17 174 of the Workforce Innovation and Opportunity Act, as
18 redesignated in section 332, is amended—

19 (1) by redesignating subsections (e) and (f) as
20 subsections (f) and (g), respectively; and

21 (2) by inserting after subsection (d) the fol-
22 lowing:

23 “(e) STRENGTHENING COMMUNITY COLLEGES PRO-
24 GRAM.—There are authorized to be appropriated to carry
25 out section 173 such sums as may be necessary.”.

1 (c) TABLE OF CONTENTS.—The table of contents in
2 section 1(b) of the Workforce Innovation and Opportunity
3 Act is amended by striking the item relating to section
4 172 and inserting the following:

“Sec. 172. Small business futures program.

“Sec. 173. Strengthening community colleges workforce development grants
program.

“Sec. 174. Authorization of appropriations.”.

5 **SEC. 606. SERVICE OF MIDCAREER WORKERS.**

6 Section 3 of the Wagner-Peyser Act (29 U.S.C. 49b)
7 is amended—

8 (1) by striking “State agencies” and inserting
9 “State workforce agencies”; and

10 (2) by adding at the end the following:

11 “(f)(1) The activities to enhance the professional de-
12 velopment and career advancement opportunities of staff
13 under subsection (c)(4) shall include training, strategies,
14 and practices—

15 “(A) specific to serving midcareer workers; and

16 “(B) as necessary, designed to appropriately
17 and effectively serve individuals displaced, or at risk
18 of displacement, by technological change, automa-
19 tion, artificial intelligence, trade, or business restruc-
20 turing.

21 “(2) Any activities described in this subsection that
22 involve individuals covered by a collective bargaining

1 agreement shall be conducted in accordance with the
2 terms of such agreement.”.

3 **TITLE VII—BETTER ARTIFICIAL**
4 **INTELLIGENCE FOR AMERICA**

5 **SEC. 701. ACCESSIBILITY.**

6 Any products or materials made available under this
7 title shall be made accessible for individuals with disabil-
8 ities and individuals with limited English proficiency.

9 **SEC. 702. NATIONAL WORKFORCE COMPETENCY INITIA-**
10 **TIVE.**

11 (a) ESTABLISHMENT.—Using amounts available for
12 such purpose from the Artificial Intelligence Horizon
13 Fund, the Secretary of Labor shall establish a national
14 workforce competency initiative to facilitate the develop-
15 ment, dissemination, and adoption of voluntary, nationally
16 recognized competency frameworks, model curricula, as-
17 sessment tools, and industry-recognized credentials for
18 high-demand occupations within job sectors impacted by
19 technological change.

20 (b) CONVENING.—In carrying out the initiative es-
21 tablished under subsection (a), the Secretary shall convene
22 sector-relevant representatives of—

23 (1) labor organizations;

24 (2) sponsors of an apprenticeship registered
25 under the Act of August 16, 1937 (commonly known

1 as the “National Apprenticeship Act”; 50 Stat. 664,
2 chapter 663; 29 U.S.C. 50 et seq.);

3 (3) institutions of higher education, including
4 community colleges;

5 (4) State workforce agencies;

6 (5) local boards, as defined in section 3 of the
7 Workforce Innovation and Opportunity Act (29
8 U.S.C. 3102);

9 (6) State Commissions on National and Com-
10 munity Service;

11 (7) industry associations;

12 (8) credentialing organizations;

13 (9) workforce training providers; and

14 (10) such other stakeholders as the Secretary
15 determines appropriate.

16 (c) DUTIES.—In carrying out the initiative estab-
17 lished under subsection (a), the Secretary, in consultation
18 with the sector stakeholders described in subsection (b),
19 shall, relevant to such sector—

20 (1) develop voluntary national competency
21 frameworks for high-demand occupations;

22 (2) develop or support common assessment
23 tools;

24 (3) facilitate development and recognition of in-
25 dustry-recognized credentials;

1 (4) maintain a publicly accessible national re-
2 pository of competency frameworks, curricula, as-
3 sessments, credentials, and related workforce train-
4 ing resources;

5 (5) promote interstate recognition and port-
6 ability of industry-recognized credentials;

7 (6) coordinate with Federal agencies, States, in-
8 stitutions of higher education, employers, labor orga-
9 nizations, and workforce development entities to pro-
10 mote adoption of competency frameworks and cre-
11 dentials;

12 (7) periodically review and update competency
13 frameworks to reflect technological change, including
14 advances in artificial intelligence and other emerging
15 technologies; and

16 (8) disseminate best practices and technical as-
17 sistance to employers, educational institutions, work-
18 force development boards, sponsors of an apprentice-
19 ship described in subsection (b)(3), and State work-
20 force agencies.

21 (d) OCCUPATIONAL LICENSING.—Nothing in this sec-
22 tion shall be construed to authorize the superseding, alter-
23 ing, or modification of an occupational or professional li-
24 cense issued or recognized by a State or the Federal Gov-
25 ernment.

1 **SEC. 703. NATIONAL CLEARINGHOUSE FOR ARTIFICIAL IN-**
2 **TELLIGENCE EDUCATION.**

3 (a) ESTABLISHMENT.—Using amounts allocated for
4 such purpose from the Artificial Intelligence Horizon
5 Fund, the Secretary of Education shall establish and
6 maintain a national clearinghouse for artificial intelligence
7 education, which shall serve as a repository and collabora-
8 tion platform for information, instructional resources, best
9 and promising practices, and model educational materials
10 related to the integration of artificial intelligence in edu-
11 cation and educational instruction.

12 (b) DUTIES.—The clearinghouse established under
13 subsection (a) shall—

14 (1) collect, curate, evaluate, and disseminate
15 evidence-based instructional resources related to ar-
16 tificial intelligence education for elementary, sec-
17 ondary, and postsecondary education;

18 (2) identify and disseminate best and promising
19 practices for instruction of responsible use of artifi-
20 cial intelligence;

21 (3) disseminate voluntary model curricula for
22 age-appropriate artificial intelligence literacy across
23 grades;

24 (4) identify and disseminate model guidance re-
25 garding—

26 (A) classroom use of artificial intelligence;

- 1 (B) academic integrity;
- 2 (C) responsible artificial intelligence use;
- 3 (D) student privacy;
- 4 (E) cybersecurity; and
- 5 (F) bias, transparency, hallucinations, mis-
- 6 information, and disinformation; and
- 7 (5) maintain a publicly accessible online reposi-
- 8 tory of lesson plans, instructional materials, assess-
- 9 ment tools, professional development resources, re-
- 10 search findings (including research on the impact of
- 11 artificial intelligence on students and learning), com-
- 12 petency frameworks, and model policies.

13 (c) LEVERAGING EXISTING REPOSITORIES.—In car-

14 rying out subsection (b), the Secretary shall utilize exist-

15 ing hubs and repositories that may provide such content

16 and allow the clearinghouse to serve as an entry point to

17 such platforms.

18 (d) UPDATING CLEARINGHOUSE CONTENT.—The

19 Secretary of Education shall regularly review and update

20 the contents of the clearinghouse to maintain up-to-date

21 content.

22 (e) CONFLICTS OF INTEREST.—The Secretary of

23 Education shall ensure appropriate disclosures to main-

24 tain research quality and independent review of materials

25 hosted by the clearinghouse.

1 **SEC. 704. ARTIFICIAL INTELLIGENCE IN THE WORKPLACE.**

2 (a) ESTABLISHMENT.—Using amounts available for
3 such purpose from the Artificial Intelligence Horizon
4 Fund, the Secretary of Labor, in consultation with the
5 Equal Employment Opportunity Commission, shall estab-
6 lish an initiative to develop, disseminate, and periodically
7 update best practices and guidance for the safe, respon-
8 sible, and effective integration of artificial intelligence
9 technologies in the workplace.

10 (b) CONVENING.—In carrying out the initiative es-
11 tablished under subsection (a), the Secretary shall convene
12 representatives of—

13 (1) employers;

14 (2) human resource professionals and organiza-
15 tions representing human resource professionals;

16 (3) labor organizations;

17 (4) civil rights organizations;

18 (5) institutions of higher education;

19 (6) cybersecurity professions;

20 (7) legal professionals responsible for advising
21 employers on workforce and employment matters;

22 and

23 (8) such other public and private stakeholders
24 as the Secretary determines appropriate.

1 (c) DUTIES.—In carrying out the initiative estab-
2 lished under subsection (a), the Secretary, in consultation
3 with the stakeholders described in subsection (b), shall—

4 (1) develop voluntary guidelines for employers
5 regarding the responsible adoption and use of artifi-
6 cial intelligence technologies in the workplace;

7 (2) develop model policies and implementation
8 resources for employers;

9 (3) identify practices to mitigate risks relating
10 to worker privacy, bias, discrimination, trans-
11 parency, and accountability in workplace uses of ar-
12 tificial intelligence, including practices related to—

13 (A) worker and labor organization partici-
14 pation in the design, procurement, testing, and
15 evaluation of artificial intelligence;

16 (B) advance notice to, and consultation
17 with, workers and labor organizations before
18 the adoption of artificial intelligence tech-
19 nologies that materially affect working condi-
20 tions;

21 (C) algorithmic management;

22 (D) workplace surveillance, including limits
23 on the collection and use of worker data;

24 (E) automated employment decision tools;

1 (F) disclosure to workers related to the use
2 of artificial intelligence;

3 (G) human review of consequential employ-
4 ment decisions, including decisions relating to
5 hiring, scheduling, discipline, compensation, and
6 termination;

7 (H) the ability of a worker to exercise pro-
8 fessional judgment to override an automated
9 determination, and protection from retaliation
10 for doing so;

11 (I) the ability of a worker to meaningfully
12 challenge or appeal employer decisions made
13 using artificial intelligence, including the provi-
14 sion to the worker of an understandable expla-
15 nation of the basis for an adverse decision and
16 a process to request human reconsideration;

17 (J) protection from retaliation for a worker
18 who reports a harm or misuse relating to work-
19 place artificial intelligence;

20 (K) the identification and reporting by em-
21 ployers of workforce reductions substantially re-
22 lated to the adoption of artificial intelligence;

23 (L) independent testing for bias and dis-
24 criminatory outcomes of artificial intelligence
25 systems, before and during deployment; and

1 (M) the use of artificial intelligence to aug-
2 ment the capabilities of workers and improve
3 job quality and workplace health and safety;

4 (4) periodically review and update the guide-
5 lines to reflect technological advances and emerging
6 best practices;

7 (5) make all guidance, model policies, and re-
8 lated resources publicly available; and

9 (6) not later than 2 years after the date of en-
10 actment of this Act, and periodically thereafter, sub-
11 mit to the Committee on Health, Education, Labor,
12 and Pensions of the Senate and the Committee on
13 Education and Workforce of the House of Rep-
14 resentatives a report identifying which of the prac-
15 tices described in paragraph (3) should be estab-
16 lished as requirements, including any recommenda-
17 tion for legislation and an assessment of the extent
18 to which voluntary adoption of such practices has
19 occurred.

20 (d) FEDERAL AGENCIES.—In carrying out the initia-
21 tive established under subsection (a), the Secretary shall
22 develop guidance under this section that is suitable for use
23 by Federal agencies in adopting artificial intelligence tech-
24 nologies affecting the work of their employees or the deliv-
25 ery of public services.

1 (e) RULE OF CONSTRUCTION.—Nothing in this sec-
2 tion shall be construed to alter any right or obligation
3 under Federal labor or employment law or to affect the
4 terms of a collective bargaining agreement.