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.

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Make AI Work for Americans Act''.

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

**SEC. 3. DEFINITIONS.**

In this Act:

(1) ARTIFICIAL INTELLIGENCE.—The term "artificial intelligence" has the meaning given the term in section 5002 of the National Artificial Intelligence Initiative Act of 2020 (15 U.S.C. 9401).

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

(3) ARTIFICIAL INTELLIGENCE ADVISORY COUNCIL.—The term ''Artificial Intelligence Advisory Council'' means the council established by section 101(c)(1).

# TITLE I—ARTIFICIAL INTELLIGENCE HORIZON FUND

## SEC. 101. ARTIFICIAL INTELLIGENCE HORIZON FUND; ARTIFICIAL INTELLIGENCE ADVISORY COUNCIL.

(a) DEFINITIONS.—In this section:

(1) COUNCIL.—The term ''Council'' means the Artificial Intelligence Advisory Council.

(2) FUND.—The term ''Fund'' means the Artificial Intelligence Horizon Fund.

(b) ARTIFICIAL INTELLIGENCE HORIZON FUND.—

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

(2) PURPOSES.—The Fund is established to receive and maintain funds as may be deposited or appropriated to the Fund to invest in programs, initiatives, projects, and other endeavors to expand economic security, quality jobs, and community benefits, while mitigating harms associated with increased adoption of artificial intelligence, including to—

(A) train workers for jobs that provide family-sustaining pay and benefits in high-demand careers that are resilient to projected future economic disruptions caused by technological change, including artificial intelligence and automation;

(B) help workers transition into entrepreneurial projects;

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

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

(E) ensure responsible development, deployment, and use of artificial intelligence; and

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

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

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

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

(4) APPROPRIATIONS.—

(A) IN GENERAL.—In addition to amounts otherwise available to the Fund, there are appropriated, out of amounts in the Treasury not otherwise appropriated, to the Fund—

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

(ii) $30,000,000,000, as a repayable advance, to remain available until expended.

(B) REPAYMENT OF ADVANCE.—

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

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

(I) 10 percent of the amount appropriated to the Fund under subparagraph (A)(i) for the fiscal year; or

(II) the difference between the amount appropriated under subparagraph (A)(ii) minus the cumulative amount of all deposits to the general fund of the Treasury under this subparagraph.

(iii) REPAYMENT TIMING.—Each deposit under this subparagraph shall be made before the submission of the recommendations of the Council under subsection (c)(4) for the fiscal year.

(5) ALLOCATION AUTHORITY.—

(A) SUBMISSION OF COST ESTIMATES.—The President shall submit to Congress as part of the annual budget submission of the President under section 1105(a) of title 31, United States Code, detailed allocations, by account, program, and project, of the full amount available in the Fund as of the date of such submission in accordance with the recommendations of the Council under subsection (c)(4).

(B) ALTERNATE ALLOCATION.—

(i) IN GENERAL.—The Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives may, in any Act making full-year appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for a fiscal year, provide for alternate allocations of amounts available in the Fund, including by account, program, and project, for that fiscal year consistent with the purposes described in paragraph (2) and the recommendations submitted under subsection (c)(3)(A).

(ii) ALLOCATION BY PRESIDENT.—

(I) NO ALTERNATE ALLOCATIONS.—If Congress has not enacted legislation establishing alternate allocations, including by account, program, and project, by the date on which the Act making full-year appropriations for the Departments of Labor, Health and Human Services, Education, and Related Agencies for the applicable fiscal year is enacted into law, the President shall allocate, by account, program, and project, the full amount available in the Fund as of the date of such submission in accordance with detailed allocations submitted to Congress under subparagraph (A).

(II) INSUFFICIENT ALTERNATE ALLOCATION.—If Congress enacts legislation establishing alternate allocations, including by account, program, and project, for amounts available in the Fund that are less than the full amount available in the Fund as of the enactment of such legislation, the difference between the amount appropriated and the alternate allocation shall be allocated by the President, consistent with the purposes described in paragraph (2) and the recommendations under subsection (c)(4).

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

(c) ARTIFICIAL INTELLIGENCE ADVISORY COUNCIL.—

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

(2) MISSION.—The Council shall provide independent oversight and guidance to the President and the Secretary of Labor for purposes of ensuring amounts from the Fund are allocated in accordance with paragraph (4)(B) and the purposes described in subsection (b)(2).

(3) DETERMINATION OF SIGNIFICANT LABOR MARKET DISRUPTION.—

(A) IN GENERAL.—The Council shall—

(i) regularly consider economic conditions and labor market indicators to determine if a significant labor market disruption has occurred or is likely to occur in a given fiscal year; and

(ii) make a declaration if the Council determines that such a disruption has occurred or is likely to occur and publish such declaration in the Federal Register.

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

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

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

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

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

(v) changes in real wages;

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

(vii) changes, or projected changes, in the demand for labor, including changes related to artificial intelligence, automation, or technological change; and

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

(C) SOURCES FOR CONSIDERATION.—The consideration of the sources of information described in subparagraph (B) shall include the use of timely—

(i) Federal data available, including data available from the Department of Labor, the Bureau of Economic Analysis, the Bureau of Labor Statistics, the Census Bureau, and other relevant Federal sources;

(ii) State data;

(iii) employer-provided data; and

(iv) information, data, and projections provided by any source the Council determines appropriate.

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

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

(B) REQUIREMENTS.—In making a recommendation under subparagraph (A), the Council—

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

(I) include in such recommendation a copy of the declaration made under clause (ii) of such paragraph; and

(II) provide in such recommendation that, at a minimum, the recommended allocation fully funds increased payments to States under section 903(k) of the Social Security Act, as added by 502(b) of this Act, and section 505 of this Act before allocating any amounts under clause (ii); and

(ii) may include in such recommendation amounts (in addition to the amounts described in clause (i) if the determination described in such clause has been made) for—

(I) the workforce training programs described in the Workforce Innovation and Opportunity Act (29 U.S.C. 3101 et seq.), as amended by titles IV and VI;

(II) transfers to the Corporation for National and Community Service for grants under the National Service for America's Future program established under section 199P of the National and Community Service Act of 1990 (as added by title III) and for awarding completion awards in accordance with section 199R(c)(1)(B)(i) of such Act;

(III) the entrepreneurship programs under the amendments made by title IV;

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

(V) the initiatives under title VII;

(VI) transfers to the National Science Foundation for education and research, including for research and development or STEM education programs related to artificial intelligence, including the National Artificial Intelligence Research Resource;

(VII) transfers to the National Telecommunications and Information Administration for broadband deployment, and for programs to expand access to internet service, devices, and digital skills, in unserved and underserved communities;

(VIII) transfers to the Creating Helpful Incentives to Produce Semiconductors (CHIPS) for America Fund under section 102(a) of the CHIPS Act of 2022 (Public Law 117–167) or the Creating Helpful Incentives to Produce Semiconductors (CHIPS) for America Workforce and Education Fund under section 102(d) of such Act;

(IX) transfers to the National Institute of Standards and Technology for work carried out by the Center for AI Standards and Innovation to provide for the safe, ethical, and responsible development, deployment, and use of artificial intelligence;

(X) transfers to the Department of Education for grants related to career and technical education, STEM education, higher education programs, educator preparation programs, digital infrastructure, data interoperability, foundational literacy as it relates to artificial intelligence, and the implementation of resources, best practices, and guidance hosted by the National Clearinghouse for Artificial Intelligence Education described in section 703;

(XI) transfers to the Department of Energy for financing through programs under title 17 of the Energy Policy Act of 2005 (42 U.S.C. 16511 et. seq.) or programs under section 2602 of the Energy Policy Act of 1992 (25 U.S.C. 3502) ;

(XII) transfers to the Department of Energy for research, development, education, or workforce training programs related to artificial intelligence;

(XIII) transfers to the National Labor Relations Board or the National Mediation Board;

(XIV) transfers, for the collection, analysis, and publication of data related to the impacts of artificial intelligence on the labor market, wages, business formation, or economic output, to—

(aa) the Bureau of Labor Statistics;

(bb) the Bureau of the Census; and

(cc) the Bureau of Economic Analysis;

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

(XVI) transfers to the National Institute on Aging of the National Institutes of Health for research on the impact of artificial intelligence on older adults; and

(iii) may not—

(I) permit more than 3 percent of the Fund to be used for administrative expenses;

(II) recommend funding activities that supplant funds otherwise available for such activities, or that displace an existing employee or position;

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

(IV) recommend funding any research, development, or deployment of artificial intelligence technologies that violate the privacy rights, civil rights, or civil liberties of an individual, or that discriminate against an individual on the basis of a protected characteristic;

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

(VI) recommend funding for any program that uses artificial intelligence systems, without the involvement of a human, to make determinations of benefits or eligibility, or that prevents an individual from exercising professional judgment to override an automated determination or subjects an individual to retaliation for doing so;

(VII) recommend funding the development or deployment of artificial intelligence systems designed to displace workers, rather than to augment the capabilities of workers, improve job quality, or improve workplace health and safety; or

(VIII) recommend funding the development or deployment of artificial intelligence systems or data collection activities used to surveil workers or to interfere with the rights of individuals, including the rights to organize and collectively bargain or discourage or prevent individuals from exercising any right under the National Labor Relations Act ( 29 U.S.C. 151 et seq.).

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

(D) REVIEW AND MODIFICATION BY THE PRESIDENT.—

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

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

(II) the modification is necessary to meet the purposes of the Fund described in subsection (b)(2); and

(III) the President provides the Council with a written justification explaining how the modification meets such a purpose.

(ii) MODIFICATION.—Any modified recommendations under clause (i) shall be considered the recommendations of the Council for purposes of this section.

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

(A) provide the Council with quarterly reports on the revenue projections of taxes received in the Treasury under chapter 50B of subtitle D the Internal Revenue Code of 1986 for purposes of determining the amount appropriated to the Fund under subsection (b)(4);

(B) provide the Council with quarterly reports detailing expenditures from the Fund, as allocated in prior fiscal years;

(C) assist the Council and the Secretary of Labor in developing annual implementation and performance plans to ensure consistent implementation of Fund allocations across the agencies and programs which are allocated funding; and

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

(6) MEMBERSHIP.—

(A) IN GENERAL.—The Council shall consist of 15 individuals appointed in accordance with this paragraph.

(B) EXPERTISE.—Each member of the Council shall have particular expertise, knowledge, and experience in matters relating to the mission of the Council.

(C) COMPOSITION.—The Council shall be comprised of the following individuals and representatives:

(i) The Secretary of Labor or a designee.

(ii) The Secretary of Education or a designee.

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

(iv) The Chief Executive Officer of AmeriCorps.

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

Engineering of the National Science Foundation.

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

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

(aa) 1 shall be appointed by the Majority Leader of the Senate; and

(bb) 1 shall be appointed by the Speaker of the House of Representatives; and

(II) 8 individuals—

(aa) who have advanced qualifications and are widely recognized as scholarly experts on artificial intelligence, K–12 education, higher education (including as representatives of a minority-serving institution (as defined in section 115(d)(2)(B) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2465(d)(2)(B))), community service, civil rights, digital equity, or workforce development (including with respect to delivering workforce development programs at scale in areas related to or affected by artificial intelligence); and

(bb) of whom—

(AA) 2 shall be appointed by the Majority Leader of the Senate;

(BB) 2 shall be appointed by the Minority Leader of the Senate;

(CC) 2 shall be appointed by the Speaker of the House of Representatives; and

(DD) 2 shall be appointed by the Minority Leader of the House of Representatives.

(7) TERMS OF NON-FEDERAL OFFICIALS.—

(A) IN GENERAL.—The non-Federal officials appointed under paragraph (6)(C)(vi) shall serve a term of 2 years beginning on the date of the start of each new Congress.

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

(C) REMOVAL.—A non-Federal official may not be removed from the Council before the end of their term unless ¾ of the Council votes to remove the individual from the Council for cause.

(8) CHAIR; CO-CHAIR.—

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

(i) be an individual appointed under clause (i), (ii), (iii), (iv), or (v) of paragraph (6)(C); and

(ii) serve for a term of 2 years.

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

(9) REGULAR MEETINGS.—

(A) IN GENERAL.—The Council shall hold regular meetings to solicit input from the public and relevant stakeholders to inform the Council's recommended allocations under paragraph (4).

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

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

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

(E) VOTING.—

(i) IN GENERAL.—The Council shall vote on the allocations recommended by the Council to the President under paragraph (3).

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

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

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

(B) publish a report summarizing the feedback provided to the Council at each regular meeting;

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

(i) the Committee on Health, Education, Labor, and Pensions and the Committee on Appropriations of the Senate; and

(ii) the Committee on Education and Workforce and the Committee on Appropriations of the House of Representatives;

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

(E) submit the report required under subparagraph (B) to the Comptroller General of the United States, which report shall include accounting information as the Comptroller General may request.

# TITLE II—ARTIFICIAL INTELLIGENCE INDUSTRY-GENERATED REVENUES

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

(a) IN GENERAL.—Subtitle D of the Internal Revenue Code of 1986 is amended by adding at the end the following new chapter:

## "CHAPTER 50B—ARTIFICIAL INTELLIGENCE



**"SEC. 5000E–1. DIGITAL ADVERTISING REVENUE.**

"(a) IN GENERAL.—In addition to any other tax imposed under this title, there is hereby imposed on any covered taxpayer a tax equal to 5 percent of the amount of any digital advertising revenue received by such covered taxpayer during any taxable year which is derived from digital advertisements displayed to United States users.

"(b) COVERED TAXPAYER.—

"(1) IN GENERAL.—For purposes of this section, the term 'covered taxpayer' means, with respect to any taxable year, any taxpayer for which—

"(A)(i) total revenue from sources within and without the United States during such taxable year exceeded $50,000,000,000, or

"(ii) total revenue from sources within the United States during such taxable year exceeded $1,000,000,000, and

"(B) digital advertising revenue during such taxable year which is derived from digital advertisements displayed to United States users exceeded $50,000,000.

"(2) AGGREGATION RULES.—

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

"(B) INCLUSION OF FOREIGN CORPORATIONS.—For purposes of subparagraph (A), in applying subsections (a) and (b) of section 52 to this paragraph, section 1563 shall be applied without regard to subsection (b)(2)(C) thereof.

"(c) OTHER DEFINITIONS.—In this section—

"(1) DIGITAL ADVERTISING REVENUE.—The term 'digital advertising revenue' means gross revenue derived from, or directly related to, the sale of a digital advertising service.

"(2) DIGITAL ADVERTISING SERVICE.—The term 'digital advertising service' means a service, provided for a fee, to deliver an advertisement or promotional message to a user through a digital interface, including services such as—

"(A) placing, displaying, transmitting, serving, delivering, selecting, ranking, targeting, optimizing, or otherwise distributing such advertisement or promotional message,

"(B) selling, licensing, allocating, or auctioning digital advertising inventory,

"(C) operating an advertising exchange, demand-side platform, supply-side platform, advertising network, retail-media network, or substantially similar system to the extent consideration is attributable to the placement, auction, delivery, or distribution of such advertisement or promotional message, or

"(D) any other similar service for the placement or delivery of such advertisement or promotional message, as may be designated by the Secretary for purposes of this section.

"(3) DIGITAL INTERFACE.—The term 'digital interface' includes a website, mobile application, online application, streaming service, and other electronically accessed interface operating on the internet.

"(4) UNITED STATES USER.—The term 'United States user' means a user based in the United States, as determined based on—

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

"(B) operation of a user's device through an Internet Protocol address based in the United States,

"(C) billing address,

"(D) business customer location,

"(E) location in which an digital advertising service was used, or

"(F) such other methods as may be prescribed by the Secretary.

"(d) PAYMENT OF TAX.—

"(1) IN GENERAL.—The tax imposed by this section shall be paid by the covered taxpayer that received 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.

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

"(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:

"(A) Total revenue.

"(B) Total digital advertising revenue that was attributable to United States users.

"(C) Methods of determination for United States users for purposes of subsection (c)(4).

"(D) Any entities included pursuant to subsection (b)(2).

"(E) Any other information, as identified by the Secretary pursuant to regulations issued pursuant to subsection (g).

"(2) APPLICABLE ENTITY.—For purposes of this subsection, the term 'applicable entity' means an entity which satisfies the requirements under subparagraphs (A) and (B) of subsection (b)(1), except that subparagraph (B) of such subsection shall be applied by substituting '$40,000,000' for '$50,000,000'.

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

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

"CHAPTER 50B—ARTIFICIAL INTELLIGENCE".

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

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

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

**"SEC. 5000E–2. ARTIFICIAL INTELLIGENCE SERVICES.**

"(a) IMPOSITION OF TAX.—

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

"(2) RATE OF TAX.—The rate of tax imposed by this subsection with respect to any content generated by a covered artificial intelligence processing service shall be $1.10 per 1,000,000 units of computational processing with respect to such content.

"(3) EXEMPTION.—With respect to each covered user, this subsection shall not apply to the first 1,000,000 units of computational processing for any content generated by a covered artificial intelligence processing service which is utilized by such covered user during a calendar year.

"(b) LIABILITY AND COLLECTION.—

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

"(2) COLLECTION.—The provider of the covered artificial intelligence processing service for which a tax is imposed under subsection (a) shall—

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

"(B) remit such tax quarterly to the Secretary at such time and in such manner as provided by the Secretary.

"(3) ELECTION TO PAY TAX ON BEHALF OF COVERED USERS.—At the election of the provider (in such form and such manner as the Secretary may provide), the tax imposed by subsection (a) with respect to any content generated by a covered artificial intelligence processing service shall be paid by such provider.

"(c) CREDIT AGAINST TAX.—

"(1) IN GENERAL.—In the case of a provider that makes an election under subsection (b)(3) with respect to any content generated by a covered artificial intelligence processing service which is utilized by a qualified covered user for non-commercial purposes, there shall be allowed as a credit against any of the taxes imposed by this chapter an amount equal to the tax paid by such provider pursuant to the election under such subsection, with such credit to be allocated by the taxpayer against such taxes—

"(A) in such respective amount as is determined appropriate by the taxpayer, and

"(B) in compliance with paragraph (3).

"(2) QUALIFIED COVERED USER.—For purposes of this subsection, the term 'qualified covered user' means—

"(A) an institution of higher education (as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)), and

"(B) a research organization described in section 501(c)(3) and exempt from tax under section 501(a).

"(3) LIMITATION ON CREDIT.—

"(A) TAXES ON DIGITAL ADVERTISING REVENUE AND EXCESS PROFITS FROM ARTIFICIAL INTELLIGENCE DEVELOPMENT.—With respect to the tax imposed under section 5000E–1 or section 5000E–3, the amount of the credit allowable to a taxpayer under paragraph (1) against the tax imposed under either such section for any taxable year shall not exceed an amount equal to 10 percent of the tax imposed under such section for such taxable year.

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

"(d) DEFINITIONS.—In this section—

"(1) COVERED ARTIFICIAL INTELLIGENCE PROCESSING SERVICE.—The term 'covered artificial intelligence processing service' means any service that—

"(A) utilizes a machine learning model capable of generating, transforming, or analyzing content, and

"(B) processes user-provided inputs to produce an output.

"(2) COVERED USER.—The term 'covered user' means any person who utilizes a covered artificial intelligence processing service.

"(3) PROVIDER.—The term 'provider' means the person providing access to covered users for utilization of the covered artificial intelligence processing service.

"(4) UNIT OF COMPUTATIONAL PROCESSING.—The term 'unit of computational processing' means a unit of digital information defined as 10 kilobytes of binary data.

"(e) REGULATIONS AND GUIDANCE.—Not later than 12 months after the date of enactment of this section, the Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section, including any regulations or guidance as may be necessary to—

"(1) standardize measurement of computational processing units across types of artificial intelligence models,

"(2) prevent avoidance through pricing structures or technical definitions,

"(3) ensure administrability and compliance, and

"(4) define non-commercial purposes with respect to subsection (c).".

(b) PENALTIES.—Section 6672 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

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

(c) CLERICAL AMENDMENT.—The table of sections for chapter 50B of subtitle D of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:



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

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

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

**"SEC. 5000E–3. EXCESS PROFITS FROM ARTIFICIAL INTELLIGENCE DEVELOPMENT.**

"(a) IN GENERAL.—In addition to any other tax imposed under this title, there is hereby imposed on any covered taxpayer a tax of 50 percent of the excess (if any) of—

"(1) the taxable income of such covered taxpayer for any taxable year, over

"(2) an amount equal to 40 percent of the gross receipts of such covered taxpayer for such taxable year.

"(b) DEFINITIONS.—For purposes of this section—

"(1) COVERED TAXPAYER.—

"(A) IN GENERAL.—The term 'covered taxpayer' means, with respect to any taxable year, any taxpayer—

"(i) for which total revenue during such taxable year exceeded $100,000,000, and which—

"(I) was engaged in—

"(aa) developing and training an artificial intelligence model that is machine learning, deep learning, or generative artificial intelligence, or

"(bb) developing artificial intelligence technology based on a trained artificial intelligence model, or

"(II) was a covered AI electricity user for the taxable year preceding such taxable year, or

"(ii) which, during such taxable year, derived greater than $100,000,000 in revenue from providing computing for—

"(I) the development and training of an artificial intelligence model,

"(II) the development of artificial intelligence technology based on a trained artificial intelligence model, or

"(III) the deployment or use of—

"(aa) an artificial intelligence model, or

"(bb) technologies based on an artificial intelligence model, including autonomous systems that can perceive, understand, perform, or orchestrate complex actions in the physical world.

"(B) AGGREGATION RULES.—

"(i) IN GENERAL.—All persons treated as a single employer under subsection (a) or (b) of section 52 or subsection (m) or (o) of section 414, shall be treated as 1 person for purposes of this paragraph.

"(ii) INCLUSION OF FOREIGN CORPORATIONS.—For purposes of clause (i), in applying subsections (a) and (b) of section 52 to this paragraph, section 1563 shall be applied without regard to subsection (b)(2)(C) thereof.

"(2) COVERED AI ELECTRICITY USER.—

"(A) IN GENERAL.—The term 'covered AI electricity user' means any person which, for any taxable year—

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

"(ii) with respect to such activities—

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

"(II) consumed greater than 400,000,000 kilowatt hours of electricity.

"(B) ADDITIONAL AGGREGATION RULES.—Pursuant to such rules as are prescribed by the

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

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

"(ii) through a data center, cloud computing service, colocation agreement, or other third-party computing arrangement,

shall be aggregated for purposes of subparagraph (A).

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

(b) CLERICAL AMENDMENT.—The table of sections for chapter 50B of subtitle D of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

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

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

# TITLE III—NATIONAL SERVICE FOR AMERICA

**SEC. 301. NATIONAL SERVICE FOR AMERICA'S FUTURE PROGRAM.**

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

## "Subtitle K—National Service for America's Future Program

**"SEC. 199O. PURPOSE; DEFINITIONS.**

"(a) PURPOSE.—The purposes of the National Service for America's Future program established under section 199P(a) are to—

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

"(2) benefit participants, States, employers, and communities by—

"(A) creating paid on-ramps into human-centered jobs for early-career workers, displaced workers, unemployed or underemployed workers, individuals returning to the workforce, and mid-career workers seeking to move into less artificial intelligence-exposed fields;

"(B) integrating national service with the Workforce Innovation and Opportunity Act (29 U.S.C. 3101 et seq.), so participants can be connected to a one-stop center, screened for eligibility and co-enrolled (as eligible) in programs under such Act, and referred to eligible providers of training services under section 122 of such Act (29 U.S.C. 3152), apprenticeship programs, pre-apprenticeships, community colleges, and employment pathways;

"(C) requiring a documented workforce outcome for every funded position, such as placement in or credit towards an apprenticeship program, pre-apprenticeship completion, an industry-recognized credential, certification, licensure support, clinical or supervised practice hours, postsecondary credit, or employment in an eligible service field; and

"(D) helping States address workforce shortages in human-facing and community-serving fields while allowing State Commissions and State boards to tailor plans to State and regional labor-market needs.

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

"(1) ARTIFICIAL INTELLIGENCE; ARTIFICIAL INTELLIGENCE HORIZON FUND; ARTIFICIAL INTELLIGENCE ADVISORY COUNCIL.—The terms 'artificial intelligence', 'Artificial Intelligence Horizon Fund', and 'Artificial Intelligence Advisory Council' have the meanings given such terms in section 3 of the Make AI Work for Americans Act.

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

"(3) ELIGIBLE HOST SITE.—

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

"(B) EXCLUSIONS.—The term 'eligible host site' does not include any entity that is—

"(i) a business organized for profit, other than such a business that is approved by a State under section 199Q(e);

"(ii) a partisan political organization;

"(iii) an organization engaged in religious activities, unless the service of a participant with such entity would not involve—

"(I) giving religious instruction;

"(II) conducting worship services;

"(III) providing instruction as part of a program that includes mandatory religious education or worship;

"(IV) constructing or operating facilities devoted to religious instruction or worship or maintaining facilities primarily or inherently devoted to religious instruction or worship; or

"(V) engaging in any form of proselytization;

"(iv) a nonprofit organization that fails to comply with the restrictions contained in section 501(c) of the Internal Revenue Code of 1986 (26 U.S.C. 501(c)), except that nothing in this subparagraph shall be construed to prevent participants with such entity from engaging in advocacy activities undertaken at their own initiative; or

"(v) an organization that has been found by the National Labor Relations Board or Federal Labor Relations Authority to have violated the National Labor Relations Act or title 5, United States Code, respectively, within the preceding 5 years.

"(4) ELIGIBLE SERVICE FIELD.—The term 'eligible service field' includes any human-facing and community-serving sector.

"(5) LOCAL BOARD.—The term 'local board' has the meaning given such term in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).

"(6) ONE-STOP CENTER.—The term 'one-stop center' has the meaning given such term in such section of such Act.

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

"(8) SERVICE-TO-CAREER PATHWAY.—The term 'service-to-career pathway' means a paid service placement for a participant in an activity funded under section 199Q, at an eligible host site in an eligible service field, that provides meaningful and occupation-relevant training, skill development, or work-based learning and results in a documented workforce outcome, including—

"(A) placement in a registered apprenticeship program or completion, or credit toward completion, of such a program;

"(B) completion of a high-quality pre-apprenticeship program;

"(C) obtaining an industry-recognized credential;

"(D) obtaining a State or nationally recognized certification;

"(E) obtaining licensure or licensing exam preparation;

"(F) obtaining clinical, practicum, or supervised practice hours;

"(G) obtaining credit from a public institution of higher education (as defined in section 101(a) of the Higher Education Act (20 U.S.C. 1001(a));

"(H) obtaining employment; or

"(I) another recognized workforce outcome approved by the Artificial Intelligence Advisory Council under the national program framework.

"(9) STATE BOARD.—The term 'State board' has the meaning given such term in such section of such Act.

**"SEC. 199P. ESTABLISHMENT OF NATIONAL SERVICE FOR AMERICA'S FUTURE PROGRAM.**

"(a) IN GENERAL.—There is established a National Service for America's Future program as provided under this subtitle.

"(b) PROGRAM FRAMEWORK.—The Artificial Intelligence Advisory Council shall establish a national program framework for applications by States under section 199Q that establishes minimum standards and outcomes (while providing States flexibility to design pathways appropriate to State and regional workforce needs, eligible service fields, participant populations, and occupations), including—

"(1) national priorities for service-to-career pathways, based on occupations and eligible service fields experiencing a shortage of workers throughout the United States, which a State may consider addressing in the National Service for America's Future plan of the State;

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

"(A) durable skills; and

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

"(i) artificial intelligence literacy;

"(ii) artificial intelligence fluency; and

"(iii) other relevant digital or technological skills;

"(3) requirements for coordination and integration, as appropriate, of activities carried out by a State under the grant program with programs under the Workforce Innovation and Opportunity Act, while providing States flexibility in the mechanisms used to achieve such integration based on participant needs, pathway design, and existing State and local workforce systems;

"(4) recognized workforce outcomes for service-to-career pathways under section 199O(b)(8)(I);

"(5) national guardrails for such States for purposes of establishing the amount that an eligible host site that supports a paid service placement of a participant will be required to provide as a cost-share amount for the participant (which may include a process for the State to waive, reduce, or increase such amount based on the capacity and resources for the eligible host site, including for an eligible host site that is small, in a rural area, associated with an Indian tribe, a nonprofit, in a high-poverty area, or otherwise is underresourced);

''(6) requirements and procedures relating to—

''(A) States that elect to coordinate with one or more other States, including through joint solicitations, shared review of applications for subgrants, joint agreements with eligible host sites, or coordinated support of a common host site, and the manner in which each such State remains accountable for the amounts provided to such State under section 199Q; and

''(B) host sites or subgrantees that receives a subgrant under section 199Q(d)(3) that seek to carry out activities under this subtitle in more than one State, including a common format for the organizational, financial, and past performance information required of such an entity, which a State shall accept in lieu of any State-specific format for such information, and a common format for reporting by such an entity; and

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

"(c) UPDATES FOR NATIONAL PRIORITIES.—The Artificial Intelligence Advisory Council shall review and annually update the priorities under subsection (b)(1).

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

**"SEC. 199Q. NATIONAL SERVICE FOR AMERICA'S FUTURE GRANTS.**

"(a) IN GENERAL.—Subject to the availability of funds allocated from the Artificial Intelligence Horizon Fund for purposes of awarding grants under this subtitle, the Corporation shall, in accordance with the formula under subsection (c), award grants to States with an approved application under subsection (b) to carry out the activities described in subsection (d).

"(b) APPLICATION.—

"(1) IN GENERAL.—For each State that submits an application under this subsection for a grant under subsection (a), the Corporation and the Secretary shall jointly—

"(A) approve such application if the application satisfies the requirements of the national program framework established under section 199P(b); or

"(B) if the Corporation and Secretary determines the application is unsatisfactory, reject such application, notify the State Commission of the State of the reasons for the rejection, and provide such State with reasonable opportunity to revise (with technical assistance from the Corporation and Secretary, if appropriate) and resubmit such application.

"(2) REQUIREMENTS.—A State seeking a grant under subsection (a) shall, through the State Commission of the State acting jointly with the State board and State workforce agency of the State, submit an application to the Corporation and the Secretary at such time, in such manner, and containing such information as the Corporation may reasonably require, including—

"(A) a National Service for America's Future plan that—

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

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

“(I) requirements relating to supervision, training, workplace safety, and nondiscrimination; and

“(II) the amount, in accordance with the national guardrails established in the national program framework, that the site will be required to provide as a cost-share amount for the participant;

“(iii) identifies the eligible service fields the State will support under the plan, and describes how the State selected such fields, including the State and regional labor market data on which the State relied;

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

“(v) describes how the State will recruit and select participants, including how the State will apply the priorities described in section 199R(b); and

“(vi) describes how the State will provide the training described in section 199P(b)(2), including the entities that will provide such training;

“(vii) describes how the State will verify and document the workforce outcomes described in section 199O(b)(8), including the documentation the State will require;

“(viii) describes the entities to which the State will provide subgrants under subsection (d)(3), the purposes for which such subgrants will be provided, and how funds will flow to participants through such subgrants;

"(ix) describes the standards the State will use to determine which participants receive the benefits and supportive services described in section 199R(c)(1)(B) and how the State will apply such standards consistently;

"(x) describes the entities the State consulted in developing the plan, including employers, labor organizations, community colleges, Indian tribes, and community-based organizations; and

"(xi) specifies the period covered by the plan and the process by which the State may modify the plan; and

"(B) a certification or concurrence by the State board that the National Service for America's Future plan is aligned with the workforce needs of the State and the programs of the State under the Workforce Innovation and Opportunity Act, including a description of how activities under the plan will—

"(i) connect such participants to local boards and one-stop centers;

"(ii) screen such participants for eligibility to participate in programs under the

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

"(iii) connect such participants with eligible providers of training services under section 122 of such Act (29 U.S.C. 3152), apprenticeship programs, pre-apprenticeships, community colleges, employers, labor organizations, or public-sector hiring pathways; and

"(iv) provide that participation count, as applicable, as work-based learning, work experience, on-the-job training, participation in a career pathway, participation in a pre-apprenticeship, or measurable skill gain.

"(3) RELATIONSHIP TO STATE NATIONAL SERVICE PLAN.—

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

"(B) RULE OF CONSTRUCTION.—The Corporation or Secretary may not require submission of the National Service for America's Future plan as part of, or as an addendum to, such national service plan as a condition of approval of an application under paragraph (1).

"(c) GRANT FORMULA.—

"(1) APPROVED STATE.—For purposes of this subsection, the term 'approved State' means a State with an application to receive a grant under this section that has been approved under subsection (b)(1)(A).

"(2) RESERVATION OF FUNDS.—Of the total amount received from the Artificial Intelligence Horizon Fund and allocated for use under this subtitle for a fiscal year, the Corporation—

"(A) shall reserve—

"(i) 1 percent of such amount for grants under this section to approved States that are the United States Virgin Islands, Guam, American Samoa, or the Commonwealth of the Northern Mariana Islands, of which such amount shall be allotted for a grant to each such approved State for a fiscal year in an amount that bears the same ratio to 1 percent of such amount for that fiscal year as the population of the approved States bears to the total population of the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands; and

"(ii) 5 percent of such amount for grants under this section to Indian tribes; and

"(B) may reserve not more than 2 percent of the amount that remains from total amount after the reservations under subparagraph (A) for use by the Corporation and the Secretary for the costs of administering this subtitle, including technical assistance, evaluation, and the reports required under section 199T.

"(3) ALLOTMENT TO APPROVED STATES ON FORMULA BASIS.—The Corporation shall allot the amount received from the Artificial Intelligence Horizon Fund and allocated for use under this subtitle for a fiscal year that is not reserved under paragraph (2) (referred to in this subsection as the 'unreserved funds'), for grants under this section to approved States that are one of the several States, the

District of Columbia, or the Commonwealth of Puerto Rico in an amount that (excepted as provided in paragraph (4)) bears the same ratio of the unreserved funds for the fiscal year as the population of the State bears to the total population of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

"(4) MINIMUM AMOUNT FOR FORMULA.—

"(A) IN GENERAL.—Notwithstanding paragraph (3), the minimum grant made available to any approved State described in such paragraph from the unreserved funds under such paragraph for a fiscal year shall be the greater of—

"(i) the amount published under subparagraph (B) for purposes of the fiscal year; or

"(ii) 0.5 percent of the total amount of the unreserved funds for the fiscal year.

"(B) MINIMUM AMOUNT PUBLICATION.— Not later than 90 days before the beginning of any fiscal year that begins after the date of enactment of the Make AI Work for Americans Act, the Artificial Intelligence Advisory Council shall determine and publish the amount for purposes of subparagraph (A)(i) for the fiscal year.

"(5) EFFECT OF FAILURE TO APPLY.—If a State fails to apply for, or fails to give notice to the Corporation of its intent to apply for, a grant under this section, or if the application of the State is rejected under subsection (b)(1)(B), the Corporation may use the amount that would have been allotted under paragraph (2) to the State to make reallotments to approved States under this subsection or make grants to other community-based entities that propose to carry out National Service for America's Future programs in such State or territory.

"(6) POPULATION DETERMINATION.—In determining populations of a State for purposes of this subsection, the Corporation shall use the most recently published data available from the Bureau of the Census that the Corporation determines is appropriate for such purposes.

"(7) UNAWARDED TRIBAL FUNDS.—Any amount reserved under paragraph (2)(B) that is not awarded to an Indian tribe in a fiscal year shall be available to the Corporation and the Secretary to provide technical assistance and support to Indian tribes to apply for and carry out grants under this section.

"(d) ACTIVITIES.—A State that receives a grant under subsection (a) shall, in accordance with the application of the State submitted to the Corporation under subsection (b) and acting through the State Commission as the lead entity in partnership with the State board and State workforce agency of the State, carry out the National Service for America's Future plan of such State, including by—

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

"(2) approving eligible host sites for placement of such individuals; and

"(3) providing subgrants in accordance with the plan.

"(e) HOST SITES ORGANIZED FOR PROFIT.—In carrying out subsection (d), a State may approve a business organized for profit as an eligible host site if the State determines that placement at the business—

"(1) would be in an eligible service field and responds to a demonstrated State, regional, or community workforce need;

"(2) provides meaningful training, work-based learning, supervision, and a documented workforce outcome under section 199O(b)(8);

"(3) provides a public or community benefit in addition to any incidental benefit received by the business;

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

"(5) meets such additional safeguards as the State determines appropriate.

"(f) ADMINISTRATION.—

"(1) STATE.—Except as provided in paragraph (3), a State that receives a grant under subsection (a) may use not more than 10 percent of the amount provided to a State under this section to pay for administrative costs incurred by the State in carrying out the activities under this section, including for data collection, performance measurement, technical assistance, workforce-system coordination, participant support infrastructure, and oversight.

"(2) SUBGRANTEES.—Except as provided in paragraph (3), a subgrantee that receives a subgrant under subsection (d)(3) may use not more than 5 percent of the amount of such subgrant to pay for administrative costs incurred by the entity in carrying out the activities under this section.

"(3) REDUCTION AFTER THIRD YEAR.—

"(A) IN GENERAL.—With respect to any fiscal year following the third fiscal year for which a State receives a grant under subsection (a), the Corporation may apply a percentage lower than the percentage specified in paragraph (1), and a percentage lower than the percentage specified in paragraph (2) with respect to entities receiving subgrants from such State, except that the Corporation may not apply a percentage lower than 5 percent for purposes of paragraph (1) or 3 percent for purposes of paragraph (2).

"(B) NOTICE AND UNIFORM APPLICATION.—The Corporation shall publish any percentage applied under subparagraph (A) not later than 90 days before the beginning of the fiscal year to which it applies and shall apply such percentage on the same terms to each approved State that has received a grant under subsection (a) for more than 3 fiscal years.

"(g) GRANTS TO INDIAN TRIBES.—

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

"(2) APPLICATION.—

"(A) IN GENERAL.—Subject to subparagraph (B), an Indian tribe may apply for a grant described in paragraph (1) under subsection (b), and the Corporation and Secretary shall approve or reject such application under subsection, as if the Indian tribe was a State seeking a grant under subsection (a).

"(B) MODIFICATION.—For purposes of an application by an Indian tribe as described under this paragraph—

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

"(ii) in the application of the Indian tribe, in lieu of the certification or concurrence required under subsection (b)(2)(B), the Indian tribe shall include in the application a description of how activities of the Indian tribe will connect participants to one-stop centers, screen participant for eligibility for, and where appropriate to advance the participant's service-to-career pathway, co-enroll them in, programs under the Workforce Innovation and Opportunity Act (29 U.S.C. 3101 et seq.), and connect them to training providers, apprenticeship programs, and community colleges, including through coordination with any program the Indian tribe operates under section 166 of such Act (29 U.S.C. 3221).

"(3) REQUIREMENTS AND CONDITIONS.—An Indian tribe that receives a grant described in paragraph (1) shall use the grant funds subject to the same conditions and requirements as grant funds awarded to a State under subsection (a).

"(h) RULE OF CONSTRUCTION.—This subtitle shall not be interpreted to—

"(1) alter any responsibility of a State workforce agency or any appropriate local workforce entity for determinations of eligibility, enrollment, or administration of programs under the Workforce Innovation and Opportunity Act; or

"(2) require a State Commission to perform functions assigned under Federal or State law to a State workforce agency, local board, or one-stop operator.

**"SEC. 199R. PARTICIPANTS.**

"(a) IN GENERAL.—In accordance with subsection (b), a State that receives a grant under section 199Q to carry out activities in accordance with the National Service for America's Future plan of such State may enroll any individual who is not less than 18 years of age as a participant.

"(b) PRIORITY.—In selecting individuals for enrollment under subsection (a), a State may prioritize—

"(1) early-career workers;

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

"(3) unemployed or underemployed workers;

"(4) mid-career workers seeking to transition into a field that is less exposed to artificial intelligence;

"(5) veterans;

"(6) caregivers returning to work; and

"(7) individuals from rural, Tribal, low-income, or underserved communities.

"(c) COMPENSATION AND BENEFITS.—

"(1) IN GENERAL.—A participant in activities in a program under the National Service for America's Future plan of a State shall—

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

"(i) $20 an hour; or

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

"(I) increased by the percentage increase, if any, in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics (or a successor index); and

‘‘(II) rounded to the nearest multiple of $0.05, if the amount after applying subclause (I) is not a multiple of $0.05; and

‘‘(B) be eligible, as provided in the plan, for—

‘‘(i) a completion award;

‘‘(ii) health care benefits or health coverage assistance, as determined by the Artificial Intelligence Advisory Council; and

‘‘(iii) supportive services, including transportation, child care, digital access, credentialing costs, licensing fees, exam fees, background checks, and required tools or equipment, as determined by the Artificial Intelligence Advisory Council.

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

‘‘(A) in an amount determined by the Artificial Intelligence Advisory Council that is equal to the maximum amount of a Federal Pell

Grant under section 401 of the Higher Education Act of 1965 (20 U.S.C. 1070a) that a student eligible for such Grant may receive in the aggregate (without regard to whether the funds are provided through discretionary or mandatory appropriations) for the award year in which the participation of the participant began;

"(B) pro-rated based on the service hours of the participant in the program under the National Service for America's Future plan of a State; and

"(C) paid by the Corporation from amounts allocated from the Artificial Intelligence Horizon Fund for purposes of awarding such awards, upon the participant's completion of the term of service.

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

"(d) CRIMINAL HISTORY CHECKS.—

"(1) IN GENERAL.—A State receiving a grant under this subtitle, or an entity receiving a subgrant under section 199Q(d)(3), shall conduct a criminal history check for each individual selected as a participant.

"(2) REGULATIONS.—The Corporation shall issue regulations governing checks under paragraph (1) that ensure such checks are effective in protecting the individuals and communities served under this subtitle while minimizing the administrative burden on States, entities receiving subgrants under section 199Q(d)(3), and eligible host sites.

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

**"SEC. 199S. MATCHING AND COST SHARING.**

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

"(b) LIMITATION.—The same funds may not be counted to satisfy more than one matching, cost sharing, or maintenance-of-effort requirement as provided under subsection (a).

**"SEC. 199T. REPORTS.**

"(a) NATIONAL REPORTING.—The Corporation shall—

"(1) annually prepare a report regarding the National Service for America's Future program established by subsection (a) of section 199P that—

"(A) summarizes—

"(i) reports submitted by States under the National Service for America's Future plan of the State in accordance with the national program framework established under subsection (b) of such section; and

"(ii) outcomes of the program; and

"(B) includes—

"(i) information regarding State participation;

"(ii) information on formula allotments and expenditures;

"(iii) the number of participants and member service years supported;

"(iv) data on participant demographics;

"(v) information on eligible service fields and communities served;

"(vi) information on eligible service fields and occupations supported;

"(vii) information on outcomes for integration with programs under the Workforce Innovation and Opportunity Act;

"(viii) information on credential and workforce outcomes;

"(ix) information on employment, education, apprenticeship program, and wage outcomes, as available;

"(x) information on the use of supportive services by participants in such program;

"(xi) information on technical assistance needs; and

"(xii) recommendations for improving the program; and

"(2) submit such report to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and Workforce of the House of Representatives.

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

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

"(1) prepare a report that assess options, and identifies any statutory or regulatory barrier that prevents the Corporation or the Secretary from acting, to—

"(A) raise compensation for full-time service by a participant in any program under this Act;

"(B) provide or expand health care coverage or health coverage assistance for such participants;

"(C) improve recruitment and retention for such participants who are facing financial barriers to service;

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

"(E) enable programs under this Act, and the training and recognized postsecondary credentials provided through such programs, to be included on a State list of eligible providers of training services under section 122 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3152);

"(F) strengthen the National Service Trust established under section 145 as a pathway into a career, including options to expand the uses for which a national service educational award may be applied, to align such awards with recognized postsecondary credentials and registered apprenticeship programs and to extend the period during which such an award may be used;

"(G) increase the time a participant in a program under this Act may spend in education, training, and professional development related to the participant's service;

"(H) permit programs under this Act to partner with businesses organized for profit for internships, training placements, and work-based learning that support participant professional development or provide a public benefit; and

"(I) establish a voluntary credential recognizing durable skills developed through service that is portable to employers; and

"(2) submit such report to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and Workforce of the House of Representatives not later than 360 days after the date of enactment of the Make AI Work for Americans Act.

"(c) Use of Existing Systems and Measures.—In carrying out subsection (a), and in establishing requirements for State reporting metrics under section 199P(b)(6), the Corporation shall—

"(1) use the data collection, grant management, and performance reporting systems used by the Corporation for other programs under the national service laws rather than establishing a separate system for the program under this subtitle;

"(2) to the maximum extent practicable, use definitions, data elements, and performance measures that are consistent with those used for such other programs and, as appropriate, with the primary indicators of performance described in section 116(b)(2)(A) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3141(b)(2)(A)); and

"(3) minimize duplicative reporting by States, entities receiving subgrants, and eligible host sites, including by accepting data already reported to the Corporation under other programs under the national service laws.".

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



(c) EXCLUSION FROM GROSS INCOME.—Section 74 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

"(e) EXCEPTION FOR NATIONAL SERVICE FOR AMERICA'S FUTURE COMPLETION AWARDS.—Gross income shall not include the amount of any completion award paid to an individual in accordance with section 199R(c)(1)(B)(i) of the National and Community Service Act of 1990.".

# TITLE IV—ENTREPRENEURSHIP FOR AMERICA

## SEC. 401. ENTREPRENEURS OF THE FUTURE PROGRAM.

(a) PROGRAM IMPROVEMENTS.—

(1) RENAMING PROGRAM.—

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

(i) in the heading, by striking "SELF-EMPLOYMENT ASSISTANCE" and inserting "ENTREPRENEURS OF THE FUTURE"; and

(ii) in the matter preceding paragraph (1), by striking "self-employment assistance" and inserting "Entrepreneurs of the Future".

(B) CONFORMING AMENDMENTS.—

(i) Section 3304(a)(4)(F) of such Code is amended by striking "self-employment assistance" and inserting "Entrepreneurs of the Future".

(ii) Section 3306(f)(6) of such Code is amended by striking "self-employment assistance" and inserting "Entrepreneurs of the Future".

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

(2) ADJUSTMENT OF LIMITATION ON NUMBER OF INDIVIDUALS PARTICIPATING.—Section 3306(t)(4) of such Code is amended—

(A) by striking "5 percent of"; and

(B) by inserting "and" after the semicolon at the end.

(3) ELIMINATION OF REQUIREMENT THAT PARTICIPANTS ARE LIKELY TO EXHAUST REGULAR UNEMPLOYMENT COMPENSATION.—Section 3306(t)(3) of the Internal Revenue Code of 1986 is amended by striking subparagraph (B) and by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively.

(4) MODIFICATION OF REQUIREMENT TO PARTICIPATE IN SELF-EMPLOYMENT ASSISTANCE ACTIVITIES.—Section 3306(t)(3)(B) of the Internal Revenue Code of 1986, as redesignated by paragraph (3), is amended to read as follows:

"(B) are participating in proven entrepreneurship, self-employment, or small business ownership activities which are approved by the State agency and either—

"(i) include entrepreneurial training, business counseling, and technical assistance; or

"(ii) are performed pursuant to a business plan submitted by the individual and approved by the State or an agency or entity designated by the State; and".

(5) ELIMINATION OF BUDGET NEUTRALITY REQUIREMENT.—Section 3306(t) of the Internal Revenue Code of 1986 is amended by striking paragraph (5) and redesignating paragraph (6) as paragraph (5).

(6) NOTIFICATION OF ELIGIBILITY.—Section 3306(t)(1) of the Internal Revenue Code of 1986 is amended by inserting ‘‘, and the State notifies such individuals of their eligibility to receive such allowance’’ after ‘‘self-employed’’.

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

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

(A) in paragraph (4)(F), by inserting ‘‘, as required under paragraph (19)’’ after ‘‘3306(t)’’;

(B) in paragraph (18), by striking ‘‘and’’ at the end;

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

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

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

(2) CONFORMING AMENDMENT.—Section 303(a)(5) of the Social Security Act (42 U.S.C. 503(a)(5)), is amended, in the last proviso, by inserting ", as required under section 3304(a)(19) of such Code" after "1986)".

(c) REGULATIONS AND GUIDANCE.—

(1) ISSUANCE OF REGULATIONS.—The Secretary of Labor shall, after public notice and comment and subject to approval by the Office of Management and Budget, adopt regulations to administer this section.

(2) ISSUANCE OF GUIDANCE.—The Secretary of Labor, in consultation with the Administrator of the Small Business Administration, shall provide guidance to State workforce agencies that includes—

(A) with respect to States that have established a program under section 3306(t) of the Internal Revenue Code of 1986 as of the date of enactment of this section, best practices for implementing the requirements of this section to such program;

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

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

(D) best practices for verification of completion of the activities described in subparagraph (C).

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

''(j) PAYMENTS TO STATES FOR OPERATING AN ENTREPRENEURS OF THE FUTURE PROGRAM.—(1)(A) Subject to paragraph (4), there shall be paid to each State an amount equal to 100 percent of—

"(i) the total amount of allowances paid to individuals by the State under the State's Entrepreneurs of the Future program (as defined in section 3306(t) of the Internal Revenue Code of 1986); and

"(ii) any additional administrative expenses incurred by the State by reason of making such payments (as determined by the Secretary of Labor).

"(B) Sums payable to any State under this subsection shall be payable, either in advance or by way of reimbursement (as determined by the Secretary of Labor), in such amounts as the Secretary of Labor estimates the State will be entitled to receive under this subsection for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary of Labor finds that the Secretary's estimates for any prior calendar month were greater or less than the amounts that should have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary of Labor and the State agency of the State involved.

"(2) The Secretary of Labor shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this subsection.

"(3) Sums payable to any State under this subsection shall be —

"(A) made by way of transfer from the Artificial Intelligence Horizon Fund (as defined in section 3 of the Make AI Work for Americans Act); and

"(B) deposited in the account of such States in the Unemployment Trust Fund.

"(4) Payments to States under this subsection shall be subject to the availability of funds in the Artificial Intelligence Horizon Fund (as defined in section 3 of the Make AI Work for Americans Act).".

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

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

(2) January 1, 2028.

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

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

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

(2) by inserting after section 171 the following:

**"SEC. 172. SMALL BUSINESS FUTURES PROGRAM.**

"(a) GRANTS.—Using the sum received from the Artificial Intelligence Horizon Fund and allocated by the Artificial Intelligence Advisory Council for use under this section, the Secretary shall make grants to States, through the State workforce agencies that carry out subtitle B, to assist the States in carrying out the provisions of the State plan approved under section 102 or 103 that relate to entrepreneurship, self-employment, and small business ownership.

"(b) APPLICATION.—To be eligible to receive a grant under this section, a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including an assurance that the agency will coordinate the activities carried out under the grant with the activities of a lead small business development center in the State.

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

"(1) counseling at a small business development center, other Small Business Administration resources, private sector training programs, community development financial institutions (as defined in section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4702)), nonprofit organizations providing entrepreneurial training, counseling, or technical assistance, and other entities that provide entrepreneurial training, counseling, or technical assistance: and

"(2) assistance in adopting digital tools and artificial intelligence to improve business operations, competitiveness, and efficiency.

"(d) DEFINITIONS.—For purposes of this section, the terms 'Artificial Intelligence Horizon Fund', and 'Artificial Intelligence Advisory Council' have the meanings given such terms in section 3 of the Make AI Work for Americans Act.".

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

(a) DEFINITIONS.—Section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102) is amended—

(1) in paragraph (51)—

(A) in subparagraph (D), by striking "and" at the end;

(B) in subparagraph (E), by striking the period and inserting "; and"; and

(C) by adding at the end the following:

"(F) the provision of entrepreneurial training and self-employment transition support."; and

(2) by adding at the end the following:

"(72) MBDA BUSINESS CENTER.—The term 'MBDA Business Center' means an MBDA Business Center operating under the MBDA Business Center Program established under section 100113 of the Minority Business Development Act of 2021 (15 U.S.C. 9523).

"(73) SMALL BUSINESS.—The term 'small business' has the meaning given the term 'small-business concern' in section 3 of the Small Business Act (15 U.S.C. 632).

"(74) SMALL BUSINESS DEVELOPMENT CENTER.—The term 'small business development center' means a center described in section 21 of the Small Business Act (15 U.S.C. 648).".

(b) WORKFORCE DEVELOPMENT BOARDS.—

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

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

(A) in item (cc), by striking ‘‘and’’ at the end;

(B) in item (dd), by striking the period at the end and inserting ‘‘; and’’; and

(C) by adding at the end the following:

‘‘(ee) a representative of the network of small business development centers in the State.’’.

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

(A) in clause (iv), by striking ‘‘and’’ at the end; and

(B) by adding on the end the following:

‘‘(vi) may include a representative of the network of small business development centers serving the local area; and’’.

(c) UNIFIED STATE PLAN.—Section 102(b)(2)(B)(v) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3112(b)(2)(B)(v)) is amended by inserting ‘‘, and how the activities will incorporate career pathways for entrepreneurship, self-employment, and small business ownership and will be coordinated with the activities of the Small Business Administration, small business development centers, the Minority Business Development Agency and any MBDA Business Center serving the State, and State- and locally-focused small business and economic development nonprofit organizations'' before the semicolon.

(d) INDIVIDUALIZED CAREER SERVICES.—Section 134(c)(2)(A)(xii) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3174(c)(2)(A)(xii)) is amended—

(1) in subclause (X), by striking ''or'' at the end;

(2) in subclause (XI), by striking ''; and'' and inserting ''; or'';

(3) by adding at the end the following:

''(XII) provision of information about entrepreneurship as a career pathway, and referrals to the small business liaison office (if established under section 172), small business development centers, women's business centers operating pursuant to section 29 of the Small Business Act (15 U.S.C. 656), veteran business outreach centers, MBDA Business Centers, and nonprofit organizations specializing in small business technical assistance; and''.

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

(1) in clause (x), by striking ''and'' at the end;

(2) in clause (xi), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(xii) business plan development, business incubation services, and business coaching, including the provision of training and technical assistance for small businesses in the adoption and use of digital tools and artificial intelligence.''.

**SEC. 404. ACCESS TO CAPITAL AND TECHNICAL ASSISTANCE FOR EMERGING ENTREPRENEURS.**

(a) SMALL BUSINESS ADMINISTRATION.—In addition to other uses of amounts in the Artificial Intelligence Horizon Fund authorized under this Act, and the amendments made by this Act, the Secretary of Labor may transfer such sums as the Artificial Intelligence Advisory Council determines appropriate to allocate from the Artificial Intelligence Horizon Fund to the Administrator of the Small Business Administration to carry out—

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

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

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

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

(5) the small business investment company program under title III of the Small Business Investment Act of 1958 (15 U.S.C. 681 et seq.).

(b) DEPARTMENT OF COMMERCE.—In addition to other uses of amounts in the Artificial Intelligence Horizon Fund authorized under this Act, and the amendments made by this Act, the Secretary of Labor may transfer such sums as the Artificial Intelligence Advisory Council determines appropriate to allocate from the Artificial Intelligence Horizon Fund to the Secretary of Commerce to carry out—

(1) the MBDA Business Center Program established under section 100113 of the Minority Business Development Act of 2021 (15 U.S.C. 9523); or

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

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

(c) DEPARTMENT OF THE TREASURY.—In addition to other uses of amounts in the Artificial Intelligence Horizon Fund authorized under this Act, and the amendments made by this Act, the Secretary of Labor may transfer such sums as the Artificial Intelligence Advisory Council determines appropriate to allocate from the Artificial Intelligence Horizon Fund to the Secretary of the Treasury to provide assistance under section 108 of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4707).

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

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

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

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

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

(D) offsetting the cost to a lender of making a smaller-dollar loan.

(2) COVERED ENTREPRENEUR DEFINED.—In this subsection, the term ‘‘covered entrepreneur’’ means an individual—

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

(B) who—

(i) is participating in, or has completed, an Entrepreneurs of the Future Program (as defined in section 3306(t) of the Internal Revenue Code of 1986), as amended by section 401 of this Act; or

(ii) demonstrates, in such form and manner as the Administrator of the Small Business Administration may require, that the individual has received entrepreneurial training, counseling, or technical assistance relating to starting, acquiring, or operating a small business concern from a provider of such assistance, including a small business development center, an MBDA Business Center, a community development financial institution, a nonprofit organization, an institution of higher education, or a private entity.

# TITLE V—NEW ECONOMY UNEMPLOYMENT INSURANCE FOR AMERICA

### SEC. 501. FLOOR ON THE NUMBER OF WEEKS.

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

(1) in paragraph (18), by striking ''and'' at the end;

(2) by redesignating paragraph (19) as paragraph (20); and

(3) by inserting after paragraph (18) the following new paragraph:

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

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to weeks of unemployment beginning on or after the earlier of—

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

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

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

(a) FLOOR.—

(1) IN GENERAL.—Section 3304(a) of the Internal Revenue Code of 1986, as amended by section 501, is amended—

(A) in paragraph (19), by striking "and" at the end;

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

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

"(20) an individual's weekly benefit amount is equal to the lesser of—

"(A) the maximum weekly benefit amount under the State law; or

"(B) an amount equal to the quotient of—

"(i) an amount equal to at least 75 percent of the total earnings in the quarter of the individual's base period with the highest earnings; divided by

"(ii) 13; and".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to weeks of unemployment beginning on or after the earlier of—

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

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

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

"(k) REIMBURSEMENT OF STATE UNEMPLOYMENT FUNDS FOR INCREASED FLOOR ON THE MINIMUM REPLACEMENT OF WAGES.—(1) Subject to paragraph (6), in addition to any other amounts, for weeks of unemployment beginning on or after the date that is 6 months after the date of a submission of recommendations by the Artificial Intelligence Advisory Council under section 101(c)(4)(A) of the Make AI Work for Americans Act that includes a declaration that a significant labor market disruption has occurred or is likely to occur in a given fiscal year, there shall be paid to each State an amount equal to, with respect to any individual for a week, the excess (if any) of—

"(A) an amount equal to the lesser of—

"(i) the minimum amount under section 3304(a)(20)(B) for such individual for such week; or

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

"(B) an amount equal to the quotient of—

"(i) an amount equal to 40 percent of the total earnings in the quarter of such individual's base period with the highest earnings; divided by

"(ii) 13.

"(2) Sums payable to any State under this subsection shall be payable, either in advance or by way of reimbursement (as determined by the Secretary of Labor), in such amounts as the Secretary of Labor estimates the State will be entitled to receive under this subsection for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary of Labor finds that the Secretary's estimates for any prior calendar month were greater or less than the amounts that should have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary of Labor and the State agency of the State involved.

''(3) The Secretary of Labor shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this subsection.

''(4) Sums payable to any State under this subsection shall be —

''(A) made by way of transfer of amounts allocated for such purpose from the Artificial Intelligence Horizon Fund under section 101(b) of the Make AI Work for Americans Act); and

''(B) deposited in the account of such States in the Unemployment Trust Fund.

''(5) Any amount transferred to the account of a State in the Unemployment Trust Fund under this subsection may be used by such State only in the payment of cash benefits to individuals with respect to their unemployment, exclusive of expenses of administration.

"(6) A State shall not be eligible to receive a payment under this subsection if such State decreases the maximum weekly benefit amount under the State law, as described in section 3304(a)(20)(A), in effect as of the date of enactment of this subsection.".

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

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

(1) in paragraph (20), by striking "and" at the end;

(2) by redesignating paragraph (21) as paragraph (22); and

(3) by inserting after paragraph (20) the following new paragraph:

"(21) the maximum weekly benefit amount may not be less than ⅔ of the State's average weekly wage (as determined by the Secretary of Labor) as of October 1 of each calendar year and applied for claims effective on or after January 1 of the subsequent calendar year; and".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to weeks of unemployment beginning on or after the earlier of—

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

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

**SEC. 504. BASE PERIOD.**

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

(1) in paragraph (21), by striking ''and'' at the end;

(2) by redesignating paragraph (22) as paragraph (23); and

(3) by inserting after paragraph (21) the following new paragraph:

''(22) the State law—

''(A) uses a base period that consists of 4 completed calendar quarters preceding the effective date of the claim and includes the most recently completed calendar quarter before the start of the benefit year for purposes of determining eligibility for unemployment compensation; or

"(B) provides that, in the case of an individual who would not otherwise be eligible for unemployment compensation under the State law because of the use of a base period that does not meet the requirements described in subparagraph (A), eligibility is determined using a base period that consists of 4 completed calendar quarters preceding the effective date of the claim and includes the most recently completed calendar quarter before the start of the benefit year; and".

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

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

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

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

**SEC. 505. MODERNIZATION.**

(a) IN GENERAL.—Beginning with fiscal year 2027 and annually thereafter, not less than $225,000,000 of amounts available in the Artificial Intelligence Horizon Fund under section 101(b) shall be transferred from such Fund to the Unemployment Trust Fund, for activities related to the detection and prevention of fraud, the promotion of equitable access to unemployment compensation benefits, and ensuring the timely payment of benefits with respect to unemployment compensation programs, including for—

(1) Federal administrative costs related to implementation of the amendments made by sections 501 through section 504;

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

(3) awarding grants to States to assist such States in complying with such amendments, including through the establishment of procedures or the building of infrastructure to—

(A) verify or validate the identity of claimants;

(B) calculate unemployment compensation amounts;

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

(D) accelerate the processing of unemployment compensation claims or any backlog of such claims; and

(E) issue subgrants to entities—

(i) which may include labor organizations, community-based nonprofit groups, and other entities that are capable of carrying out the duties described in clause (iii);

(ii) who shall demonstrate existing relationships, or the ability to readily establish relationships, with employers and employees, consumers, and other individuals; and

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

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

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

(1) use such program integrity tools as the Secretary may specify; and

(2) as directed by the Secretary, conduct user accessibility testing on any new infrastructure developed by the Secretary pursuant to subsection (a)(2).

(c) ALLOCATION OF GRANT FUNDS.—

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

(2) REQUIREMENTS.—In establishing the formula under paragraph (1), the Secretary of Labor shall ensure that—

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

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

(C) each large State receives the base allocation determined by the Secretary of Labor; and

(D) each extra large State receives an amount equal to 133 percent of the amount allocated to each large State.

(3) DEFINITIONS.—In this subsection:

(A) COVERED EMPLOYMENT.—The term ''covered employment'' means employment subject to contributions under State unemployment compensation law.

(B) EXTRA LARGE STATE.—The term ''extra large State'' means a State with an average covered employment of at least 7,000,000 employees.

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

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

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

(F) STATE.—The term ''State'' means the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and the United States Virgin Islands.

**SEC. 506. UNEMPLOYMENT INSURANCE COMPENSATION ADMINISTRATION.**

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

(1) guidance on best practices for administration of unemployment insurance compensation benefits, including identity verification, detecting and preventing fraud, the use of artificial intelligence, data collection, and staff training;

(2) common definitions of terms related to administration of unemployment compensation benefits; and

(3) greater access to technical assistance, operational support, and implementation guidance as it relates to administration of unemployment compensation programs.

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

(a) STUDY.—

(1) IN GENERAL.—The Secretary of Labor shall conduct a study on the feasibility and possible methods of providing unemployment compensation benefits to covered workers. Such study shall include an analysis of—

(A) the data necessary to calculate unemployment compensation benefit amounts for covered workers;

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

(C) the measures needed to prevent waste, fraud, and abuse of unemployment compensation benefits for covered workers;

(D) the administrative feasibility of allowing covered workers to become eligible for unemployment compensation benefits;

(E) the financing options for unemployment compensation benefits for covered workers;

(F) the statutory changes necessary to reasonably and effectively administer unemployment compensation benefits to covered workers, including statutory definitions; and

(G) other items determined appropriate by the Secretary.

(2) COVERED WORKER DEFINED.—In this section, the term ''covered worker'' means an individual who is not eligible for regular compensation under State or Federal law because the individual—

(A) is self-employed;

(B) does not have a sufficient work history; or

(C) works as an independent contractor.

(b) REPORT.—Not later than 180 days after the date of enactment of this section, the Secretary of Labor shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report on the study conducted under subsection (a).

**SEC. 508. WAGE INSURANCE AND SHORT-TIME COMPENSATION GRANTS.**

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

(1) establish or operate pilot programs to provide wage insurance to eligible individuals; or

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

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

(1) individuals eligible for wage insurance payments under such a program, consideration of which may be based on individual earnings loss in occupations, industries, regions, or employer groups determined to be impacted by artificial intelligence or related technological change;

(2) the program's design, including the duration of wage insurance payments (which shall not be longer than 2 years), amount of wage insurance payments, employer reporting requirements, how the State will partner with private employers, and other design features as the Secretary may require; and

(3) how a State will evaluate such program, including its impact on—

(A) reemployment and duration of reemployment;

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

(C) unemployment and duration of unemployment.

(c) SHORT-TIME COMPENSATION PROGRAM.—

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

manner, and containing such information as the Secretary may require, including a description of—

(A) how funds will be used, which may include—

(i) implementing or improving the administration of a short-time compensation program;

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

(iii) providing technical assistance to employers seeking to participate in a short-time compensation program, including assessing feasibility of participating in such a program;

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

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

(II) ongoing short-time compensation claims; and

(v) coordination of benefits with an existing unemployment compensation program; and

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

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

(d) EVALUATION AND REPORT.—

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

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

tion and administrative action as the Secretary determines appropriate.

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

(1) in the case of—

(A) a grant under subsection (a)(1), terminated the State's wage insurance program; or

(B) a grant under subsection (a)(2), terminated the State's short-time compensation program; or

(2) failed to meet appropriate requirements with respect to the applicable program (as established by the Secretary).

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

(g) DEFINITIONS.—In this section:

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

(2) SHORT-TIME COMPENSATION PROGRAM.—The term ''short-time compensation program'' has the meaning given such term in section 3306(v) of the Internal Revenue Code of 1986.

(3) STATE.—The term ''State'' means the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and the United States Virgin Islands.

(4) WAGE INSURANCE.—The term ''wage insurance'' means payments to an eligible individual who obtains reemployment at wages lower than the wages received by the individual at the time of separation from prior employment, in an amount equal to a specified percentage of the difference between—

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

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

# TITLE VI—TRAINING WORKERS FOR AMERICA

## SEC. 601. UNIFIED STATE PLAN.

Section 102 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3112) is amended—

(1) in subsection (a), by inserting "and receive funding allocated from the Artificial Intelligence Horizon Fund" after "core programs"; and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (A)—

(I) in clause (i), by striking "and" at the end;

(II) in clause (ii), by adding "and" at the end; and

(III) by adding at the end the following:

"(iii) the impact of artificial intelligence on existing and projected employment within the State, including information identifying industry sectors and occupations at higher risk of task or job displacement due to artificial intelligence adoption;";

(ii) in subparagraph (D)—

(I) by striking "educated and skilled" and inserting "educated, skilled, and artificial intelligence-literate"; and

(II) by inserting "a description of how such preparation will address labor market impacts of artificial intelligence and" before "goals";

(iii) in subparagraph (E), by inserting ", with a description of how the State has considered artificial intelligence literacy in developing such strategy," after "a strategy"; and

(B) in paragraph (2)—

(i) in subparagraph (B)—

(I) in clause (v), by striking "and" at the end;

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

(III) by adding at the end the following:

"(vii) how the State's strategy will ensure participating individuals receive artificial intelligence-related education, training, and skill development through the activities described in clause (i);

"(viii) how the State's strategy will engage and provide services to midcareer professionals; and

"(ix) how the State will coordinate activities with the State Commission on National and Community Service for the State, including with respect to the National Service for America's Future program under subtitle K of title I of the National and Community Service Act of 1990, as added by title III of the Make AI Work for Americans Act.".

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

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

"(4) CONSIDERATION OF ARTIFICIAL INTELLIGENCE.—Such plan shall include, in each portion described in paragraph (1), a description of how artificial intelligence and its impact on the programs or activities covered in that portion were considered in the development of the plan.".

(b) PLANNING GRANTS.—Section 103 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3113) is amended—

(1) by redesignating subsection (d) as subsection (e); and

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

"(d) PLANNING GRANTS.—

"(1) GRANTS AUTHORIZED.—Using the sum received from the Artificial Intelligence Horizon Fund and allocated under section 101 of the Make AI Work for Americans Act for use under this subsection, the Secretary of Labor may award grants to States to improve State capacity to develop and submit a combined State plan as described in this section.

"(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.

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

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

"(B) develop strategies for effectively integrating planning for programs described in subsection (a)(2) into a combined State plan;

"(C) align education and training programs, career pathways, credentials, and definitions across programs included in the combined State plan; and

"(D) support staff capacity, and support activities, necessary to develop the combined State plan.".

(3) CONFORMING AMENDMENT.—Section 103(c)(1) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3113(c)(1)) is amended by striking "subsection (d)" and inserting "subsection (e)".

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

Section 107(d)(4)(B) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3122(d)(4)(B)) is amended by inserting "and industry and sector partnerships" after "intermediaries".

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

(a) YOUTH.—Section 129(c) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3164(c)) is amended by adding at the end the following:

"(9) INDIVIDUAL TRAINING ACCOUNTS.—

"(A) IN GENERAL.—Subject to subparagraph (B), funds allocated as described in paragraph (1) to a local area, and the sum received from the Artificial Intelligence Horizon Fund and allocated under section 101 of the Make AI Work for Americans Act for use under this paragraph, may be used to pay, through an individual training account, an eligible provider of training services described in section 122(d) for training services described in section 134(c)(3) provided to eligible youth. The payment shall be made in the same manner that an individual training account described in subparagraph (F)(iii) of section 134(c)(3) is used to pay an eligible provider of training services for training services provided to an adult or dislocated worker, including as provided in subparagraphs (F) and (G) of such section.

"(B) SPECIAL RULE FOR IN-SCHOOL YOUTH YOUNGER THAN AGE 18.—To use an individual training account to pay for a program of training services that will take place during regular school hours for an in-school youth who is younger than the age 18, the local area shall receive written approval from the secondary school at which the in-school youth is enrolled prior to the start of the program of training services.

"(C) FUNDING FROM ARTIFICIAL INTELLIGENCE HORIZON FUND.—

"(i) GRANTS TO LOCAL AREAS.—

"(I) GRANTS.—In addition to any amount allocated as described in paragraph (1), the Secretary shall make grants to local areas, from allocations made under subclause (II), for the provision of training services (which may consist of postsecondary education) through individual training accounts, as described in subparagraph (A), to eligible youth.

"(II) ALLOCATION OF FUNDS.—Using the sum received from the Artificial Intelligence Horizon Fund and allocated under section 101 of the Make AI Work for Americans Act for use under this paragraph for a fiscal year, the Secretary shall allocate to each local area for that fiscal year an amount that bears the same relationship to that sum as the amount the local area receives under section 128(b) for that fiscal year bears to the total amount that all local areas so receive.

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

"(I) limit the maximum amount available for an individual training account for an eligible youth under this subparagraph to an amount that is less than $7,000; or

"(II) pay an amount, through the use of an individual training account under this subparagraph, for training services provided to an eligible youth that exceeds the costs of such services.

"(iii) LOCAL AREA COORDINATION.—Each local area may, through one-stop centers, coordinate funding for individual training accounts described in subparagraph (A) with funding from other Federal, State, local, or private job training programs or sources, including the Artificial Intelligence Horizon Fund, to assist eligible youth in obtaining training services.

"(iv) PROVIDERS.—The local area shall enter into agreements with providers on the list of eligible providers of training services under section 122(d) to provide training services under this subparagraph, with funding provided through direct payments made through individual training accounts, as described in section 134(c)(3)(F)(iii).

"(v) ELIGIBLE YOUTH.—To be considered an eligible youth under this paragraph, a youth shall be an in-school youth who is not younger than age 16 and not older than age 21 or an out-of-school youth.".

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

(1) by redesignating subparagraph (H) as subparagraph (I); and

(2) by inserting after subparagraph (G) the following:

"(H) FUNDING FROM ARTIFICIAL INTELLIGENCE HORIZON FUND.—

"(i) IN GENERAL.—Funds allocated as described in subparagraph (A) to a local area, and the sum received from the Artificial Intelligence Horizon Fund and allocated under section 101 of the Make AI Work for Americans Act for use under this subparagraph, may be used to pay, through an individual training account under subparagraph (F)(iii), an eligible provider of training services described in section 122(d) for training services described in this paragraph.

"(ii) GRANTS TO LOCAL AREAS.—

"(I) GRANTS.—In addition to any amount allocated as described in subparagraph (A), the Secretary shall make grants to local areas, from allocations made under subclause (II), for the provision of training services (which may consist of postsecondary education) through individual training accounts, as described in clause (i), to eligible adults and dislocated workers.

"(II) ALLOCATION OF FUNDS.—Using the sum received from the Artificial Intelligence Horizon Fund and allocated under section 101 of the Make AI Work for Americans Act for use under this subparagraph for a fiscal year, the Secretary shall allocate to each local area for that fiscal year an amount that bears the same relationship to that sum as the amount the local area receives under section 133(b) for that fiscal year bears to the total amount that all local areas so receive.

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

"(I) REQUIRED NOTICE TO ADULTS AND DISLOCATED WORKERS.—Prior to an eligible adult or dislocated worker selecting a program of training services from the list of eligible providers of training services under section 122(d), the local area shall inform such adult or dislocated worker of any opportunities the adult or dislocated may have to participate in on-the-job training or employer-directed skills development funded through such local area.

"(II) AMOUNTS AVAILABLE.—A local area—

"(aa) may not limit the maximum amount available for an individual training account for an eligible adult or dislocated worker under this subparagraph to an amount that is less than $7,000; and

"(bb) may not pay an amount, through the use of an individual training account under this subparagraph, for training services provided to an eligible adult or dislocated worker that exceeds the costs of such services.

"(iv) LOCAL AREA COORDINATION.—Each local area may, through one-stop centers, coordinate funding for individual training accounts described in clause (i) with funding from other Federal, State, local, or private job training programs or sources, including the Artificial Intelligence Horizon Fund, to assist eligible adults or dislocated workers in obtaining training services.

"(v) PROVIDERS.—The local area shall enter into agreements with eligible providers described in clause (iii)(I) to provide training services under this subparagraph, with funding provided through direct payments made through individual training accounts, as described in section 134(c)(3)(F)(iii).

"(vi) ELIGIBLE ADULT.—To be considered an eligible adult or dislocated worker under this subparagraph, an adult or dislocated worker shall have not received training services through an individual training account under section 129(c) during the preceding 5-year period or, if such adult or dislocated worker has received such training services during such period, have been granted an exception by the local area due to an exceptional circumstance, as determined by the local area.''.

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

**SEC. 605. STRENGTHENING COMMUNITY COLLEGES WORKFORCE DEVELOPMENT GRANTS PROGRAM.**

(a) PROGRAM.—Subtitle D of title I of the Workforce Innovation and Opportunity Act (29 U.S.C. 3221 et seq.), as amended by section 402, is further amended by inserting after section 172, as inserted by section 402, the following:

**''SEC. 173. STRENGTHENING COMMUNITY COLLEGES WORKFORCE DEVELOPMENT GRANTS PROGRAM.**

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

''(1) to establish, improve, or expand high-quality workforce development programs at community colleges; and

''(2) to expand opportunities for individuals to obtain recognized postsecondary credentials that are nationally or regionally portable and stackable for high-skill, high-wage, or in-demand industry sectors or occupations.

"(b) STRENGTHENING COMMUNITY COLLEGES WORKFORCE DEVELOPMENT GRANTS PROGRAM.—

"(1) IN GENERAL.—From the amounts appropriated to carry out this section under section 173(e) and not reserved under paragraph (2), the Secretary shall, on a competitive basis, make grants to eligible institutions to carry out the activities described in subsection (e).

"(2) RESERVATION.—Of the amounts appropriated to carry out this section under section 173(e), the Secretary may reserve not more than 2 percent for the administration of grants awarded under this section, including—

"(A) providing technical assistance and targeted outreach to support eligible institutions serving a high number or high percentage of low-income individuals or individuals with barriers to employment, and rural-serving eligible institutions, to provide guidance and assistance in the process of applying for grants under this section; and

"(B) evaluating and reporting on the performance and impact of programs funded under this section in accordance with subsections (f) through (h).

"(c) AWARD PERIOD.—

"(1) INITIAL GRANT PERIOD.—Each grant under this section shall be awarded for an initial period of not more than 4 years.

"(2) SUBSEQUENT GRANTS.—An eligible institution that receives an initial grant under this section may receive one or more additional grants under this section for additional periods of not more than 4 years each if the eligible institution demonstrates that, during the most recently completed grant period for a grant received under this section, such eligible institution achieved the levels of performance agreed to by the eligible institution with respect to the performance indicators specified in subsection (f).

"(d) APPLICATION.—

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

"(2) CONTENTS.—An application submitted by an eligible institution under paragraph (1) shall include a description of each the following:

"(A) The extent to which the eligible institution has demonstrated success building partnerships with employers in in-demand industry sectors or occupations to provide students with the skills needed for occupations in such industries and an explanation of the results of any such partnerships.

"(B) The methods and strategies the eligible institution will use to engage with employers in in-demand industry sectors or occupations, including any arrangements to place individuals who complete the workforce development programs supported by the grant into employment with such employers.

"(C) The proposed eligible institution and industry partnership that the eligible institution will establish or maintain to comply with subsection (e)(1), including—

"(i) the roles and responsibilities of each employer, organization, agency, or institution of higher education that the eligible institution will partner with to carry out the activities under this section; and "(ii) the needs that will be addressed by such eligible institution and industry partnership.

"(D) One or more industries that such partnership will target and real-time labor market data demonstrating that those industries are aligned with employer demand in the geographic area to be served by the eligible institution.

"(E) The extent to which the eligible institution can—

"(i) leverage additional resources to support the programs to be funded with the grant, which shall include written commitments of any leveraged or matching funds for the proposed programs; and

"(ii) demonstrate the future sustainability of each such program.

"(F) The steps the institution will take to ensure the high quality of each program to be funded with the grant, including the career pathways within such programs.

"(G) The population and geographic area to be served by the eligible institution, including the number of individuals the eligible institution intends to serve during the grant period.

"(H) The workforce development programs to be supported by the grant.

"(I) The recognized postsecondary credentials that are expected to be earned by participants in such workforce development programs and the related high-wage, high skill, or in-demand industry sectors or occupations for which such programs will prepare participants.

"(J) The evidence upon which the education and skills development strategies to be used in such workforce development programs are based and an explanation of how such evidence influenced the design of the programs to improve education and employment outcomes.

"(K) How activities of the eligible institution are expected to align with the workforce strategies identified in—

"(i) any State plan or local plan submitted under this Act by the State, outlying area, or locality in which the eligible institution is expected to operate;

"(ii) any State plan submitted under section 122 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2342) by such State or outlying area; and

"(iii) any economic development plan of the chief executive of such State or outlying area.

"(L) The goals of the eligible institution with respect to—

"(i) capacity building (as described in subsection (f)(1)(B)); and

"(ii) the expected performance of individuals participating in the programs to be offered by the eligible institution, including with respect to performance indicators applicable under section 116 or subsection (f) of this section.

"(M) Any coordination the eligible institution plans to undertake with the State Commission on National and Community Service for the State in which the eligible institution is expected to operate, including with respect to the co-enrollment, in the workforce development programs to be supported by the grant, of participants in the National Service for America's Future program under subtitle K of title I of the National and Community Service Act of 1990, as added by title III of the Make AI Work for Americans Act, or of other participants in national service programs.

"(3) CONSIDERATION OF PREVIOUS EXPERIENCE.—The Secretary may not disqualify an eligible institution from receiving a grant under this section solely because such institution lacks previous experience in building partnerships, as described in paragraph (2)(A).

"(4) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to eligible institutions that—

"(A) will use the grant to serve—

"(i) individuals with barriers to employment; or

"(ii) incumbent workers who need to gain or improve foundational skills, including skills related to technology and artificial intelligence, to enhance their employability;

"(B) use competency-based assessments to award academic credit for prior learning for programs supported by the grant; or

"(C) have, or will seek to have, the career education programs supported by the grant included on the list of eligible providers of training services under section 122 for the State in which the eligible institution is located.

"(e) USES OF FUNDS.—

"(1) ELIGIBLE INSTITUTION AND INDUSTRY PARTNERSHIP.—For the purpose of carrying out the activities specified in paragraphs (2) and (3), an eligible institution that receives a grant under this section shall establish a partnership (or maintain an existing partnership) with one or more employers in an in-demand industry sector or occupation (in this section referred to as an 'eligible institution and industry partnership') and shall maintain such partnership for the duration of the grant period. The eligible institution shall ensure that the partnership—

"(A) targets one or more specific high-skill, high-wage, or in-demand industries;

"(B) includes collaboration with the workforce development system;

"(C) serves adult and dislocated workers, incumbent workers, and new entrants to the workforce;

"(D) uses an evidence-based program design that is appropriate for the activities carried out by the partnership;

"(E) incorporates opportunities for work-based learning, as defined in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302); and

"(F) incorporates, to the extent appropriate, virtual service delivery to facilitate technology-enabled learning.

"(2) REQUIRED ACTIVITIES.—An eligible institution that receives a grant under this section shall, in consultation with the employers in the eligible institution and industry partnership described in paragraph (1)—

"(A) establish, improve, or expand high quality, evidence-based workforce development programs, career pathway programs, or work-based learning programs (including apprenticeship programs or preapprenticeships);

"(B) provide career services to individuals participating in the programs funded with the grant to facilitate retention and program completion, which may include—

“(i) career navigation, coaching, mentorship, and case management services, including providing information and outreach to individuals with barriers to employment to encourage such individuals to participate in programs funded with the grant; and

“(ii) providing access to course materials, technological devices, required equipment, and other supports necessary for participation in and successful completion of such programs; and

“(C) make available, in a format that is open, searchable, and easily comparable, information on—

“(i) curricula and recognized postsecondary credentials offered through programs funded with the grant, including any curricula or credentials created or further developed using such grant, which for each recognized postsecondary credential, shall include—

“(I) the issuing entity of such credential;

"(II) any third-party endorsements of such credential;

"(III) the occupations for which the credential prepares individuals;

"(IV) the skills and competencies necessary to achieve to earn such credential;

"(V) the level of mastery of such skills and competencies (including how mastery is assessed); and

"(VI) any transfer value or stackability of the credential;

"(ii) any skills or competencies developed by individuals who participate in such programs beyond the skills and competencies identified as part of the recognized postsecondary credential awarded; and

"(iii) related employment and earnings outcomes on the primary indicators of performance described in subclauses (I) through (III) of section 116(b)(2)(A)(i).

"(3) ADDITIONAL ACTIVITIES.—In addition to the activities required under paragraph (2), an eligible institution that receives a grant under this section 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).

"(B) Establish or implement plans for providers of the programs described in paragraph (2)(A) to meet the criteria and carry out the procedures necessary to be included on the list of eligible providers of training services described in section 122(d).

"(C) Purchase, lease, or refurbish specialized equipment as necessary to carry out such programs, provided that not more than 15 percent of the funds awarded to the eligible institution under this section may be used for activities described in this subparagraph.

"(D) Reduce or eliminate unmet financial need relating to the cost of attendance (as defined under section 472 of the Higher Education Act of 1965 (20 U.S.C. 1087ll)) of participants in such programs.

"(4) ADMINISTRATIVE COST LIMIT.—An eligible institution may use not more than 7 percent of the funds awarded under this section for administrative costs, including costs related to collecting information, analysis, and coordination for purposes of subsection (f).

"(f) LEVELS OF PERFORMANCE AND PERFORMANCE REVIEWS.—

"(1) IN GENERAL.—The Secretary shall develop and implement guidance that establishes the levels of performance that are expected to be achieved by each eligible institution receiving a grant under this section. Such levels of performance shall be established on the following indicators:

"(A) Each of the primary indicators of performance for adults described in section 116(b), which shall be applied for all individuals who participated in a program that received funding from a grant under this section.

"(B) The extent to which the eligible institution built capacity by—

"(i) increasing the breadth and depth of employer engagement and investment in workforce development programs in the in-demand industry sectors and occupations targeted by the eligible institution and industry partnership established or maintained by the eligible institution under subsection (e)(1);

"(ii) designing or implementing new and accelerated instructional techniques or technologies, including the use of advanced online and technology-enabled learning (such as immersive technology); and

"(iii) increasing program and policy alignment across systems and decreasing duplicative services or service gaps.

"(C) With respect to individuals who participated in a workforce development program funded with the grant—

"(i) the percentage of participants who successfully completed the program; and

"(ii) of the participants who were incumbent workers at the time of enrollment in the program, the percentage who advanced into higher level positions during or after completing the program.

"(2) CONSULTATION AND DETERMINATION OF LEVELS OF PERFORMANCE.—

"(A) CONSIDERATION.—In developing levels of performance in accordance with paragraph (1), the Secretary shall take into consideration the goals of the eligible institution pursuant to subsection (d)(2)(L).

"(B) DETERMINATION.—After completing the consideration required under subparagraph

(A), the Secretary shall separately determine the levels of performance that will apply to each eligible institution, taking into account—

"(i) the expected levels of performance of each eligible institution with respect to the goals described by the eligible institution pursuant to subsection (d)(2)(L); and

"(ii) local economic conditions in the geographic area to be served by the eligible institution, including differences in unemployment rates and job losses or gains in particular industries.

"(C) NOTICE AND ACKNOWLEDGMENT.—

"(i) NOTICE.—The Secretary shall provide each eligible institution with a written notification that sets forth the levels of performance that will apply to the eligible institution, as determined under subparagraph (B).

"(ii) ACKNOWLEDGMENT.—After receiving the notification described in clause (i), each eligible institution shall submit to the Secretary written confirmation that the eligible institution—

"(I) received the notification; and

"(II) agrees to be evaluated in accordance with the levels of performance determined by the Secretary.

"(3) PERFORMANCE REVIEWS.—On an annual basis during each year of the grant period, the Secretary shall evaluate the performance during such year of each eligible institution receiving a grant under this section in a manner consistent with the levels of performance determined for such institution pursuant to paragraph (2).

"(4) FAILURE TO MEET LEVELS OF PERFORMANCE.—After conducting an evaluation under paragraph (3), if the Secretary determines that an eligible institution did not achieve the levels of performance applicable to the eligible institution under paragraph (2), the Secretary shall—

"(A) provide technical assistance to the eligible institution; and

"(B) develop a performance improvement plan for the eligible institution.

"(g) EVALUATIONS AND REPORTS.—

"(1) IN GENERAL.—Not later than 4 years after the date on which the first grant is made under this section, the Secretary shall design and conduct an evaluation to determine the overall effectiveness of the eligible institutions receiving a grant under this section.

"(2) ELEMENTS.—The evaluation of the effectiveness of eligible institutions conducted under paragraph (1) shall include an assessment of the general effectiveness of programs and activities supported by the grants awarded to such eligible institutions under this section, including the extent to which the programs and activities—

"(A) developed new, or expanded existing, successful industry sector strategies, including the extent to which such eligible institutions deepened employer engagement and developed workforce development programs that met industry skill needs;

"(B) created, expanded, or enhanced career pathways, including the extent to which the eligible institutions developed or improved competency-based education and assessment, credit for prior learning, modularized and self-paced curricula, integrated education and workforce development, dual enrollment in secondary and postsecondary career pathways, stacked and latticed credentials, and online and distance learning;

"(C) created alignment between eligible institutions and the workforce development system;

"(D) assisted individuals with finding, retaining, or advancing in employment;

"(E) assisted individuals with earning recognized postsecondary credentials; and

"(F) provided equal access to various demographic groups, including people of different geographic locations, ages, races, national origins, and sexes.

"(3) DESIGN REQUIREMENTS.—The evaluation under this subsection shall—

"(A) be designed by the Secretary (acting through the Chief Evaluation Officer) in conjunction with the eligible institutions being evaluated;

"(B) include analysis of program participant feedback and outcome and process measures; and

"(C) use designs that employ the most rigorous analytical and statistical methods that are reasonably feasible, such as the use of control groups.

"(4) DATA ACCESSIBILITY.—The Secretary shall make available on a publicly accessible website of the Department of Labor any data collected as part of the evaluation under this subsection. Such data shall be made available in an aggregated format that does not reveal personally identifiable information and that ensures compliance with relevant Federal laws, including section 444 of the General Education Provisions Act (commonly known as the 'Family Educational Rights and Privacy Act of 1974') (20 U.S.C. 1232g).

"(5) PUBLICATION AND REPORTING OF EVALUATION FINDINGS.—The Secretary (acting through the Chief Evaluation Officer) shall—

"(A) in accordance with the timeline determined to be appropriate by the Chief Evaluation Officer, publish an interim report on the preliminary results of the evaluation conducted under this subsection;

"(B) not later than 60 days after the date on which the evaluation is completed under this subsection, submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and Workforce of the House of Representatives a report on such evaluation; and

“(C) not later than 90 days after such completion date, publish and make the results of such evaluation available on a publicly accessible website of the Department of Labor.

“(h) ANNUAL REPORTS.—The Secretary shall make available on a publicly accessible website of the Department of Labor, in transparent, linked, open, and interoperable data formats, the following information:

“(1) The performance of eligible institutions on the capacity-building performance indicator set forth under subsection (f)(1)(B).

“(2) The performance of eligible institutions on the workforce development participant outcome performance indicators set forth under subsection (f)(1)(C).

“(3) The number of individuals enrolled in workforce development programs funded with a grant under this section.

“(i) DEFINITIONS.—In this section:

“(1) COMMUNITY COLLEGE.—The term ‘community college’ means—

“(A) a public institution of higher education (as defined in section 101(a) of the

Higher Education Act (20 U.S.C. 1001(a)), at which—

“(i) the highest degree awarded is an associate degree; or

“(ii) an associate degree is the most frequently awarded degree;

“(B) a branch campus of a 4-year public institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)), if, at such branch campus—

“(i) the highest degree awarded is an associate degree; or

“(ii) an associate degree is the most frequently awarded degree;

“(C) a 2-year Tribal College or University (as defined in section 316(b)(3) of the Higher Education Act of 1965 (20 U.S.C. 1059c(b)(3))); or

“(D) a degree-granting Tribal College or University (as defined in section 316(b)(3) of the Higher Education Act of 1965 (20 U.S.C. 1059c(b)(3))) at which—

“(i) the highest degree awarded is an associate degree; or "(ii) an associate degree is the most frequently awarded degree.

"(2) ELIGIBLE INSTITUTION.—The term 'eligible institution' means—

"(A) a community college;

"(B) a postsecondary vocational institution (as defined in section 102(c) of the Higher Education Act of 1965 (20 U.S.C. 1002(c))); or

"(C) a consortium of such colleges or institutions.

"(j) SUPPLEMENT NOT SUPPLANT.—Funds made available under this section shall be used to supplement, and not supplant, other Federal, State, and local public funds made available for carrying out the activities described in this section.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 174 of the Workforce Innovation and Opportunity Act, as redesignated in section 332, is amended—

(1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and

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

"(e) STRENGTHENING COMMUNITY COLLEGES PROGRAM.—There are authorized to be appropriated to carry out section 173 such sums as may be necessary.".

(c) TABLE OF CONTENTS.—The table of contents in section 1(b) of the Workforce Innovation and Opportunity Act is amended by striking the item relating to section 172 and inserting the following:



**SEC. 606. SERVICE OF MIDCAREER WORKERS.**

Section 3 of the Wagner-Peyser Act (29 U.S.C. 49b) is amended—

(1) by striking "State agencies" and inserting "State workforce agencies"; and

(2) by adding at the end the following:

"(f)(1) The activities to enhance the professional development and career advancement opportunities of staff under subsection (c)(4) shall include training, strategies, and practices—

"(A) specific to serving midcareer workers; and

"(B) as necessary, designed to appropriately and effectively serve individuals displaced, or at risk of displacement, by technological change, automation, artificial intelligence, trade, or business restructuring.

"(2) Any activities described in this subsection that involve individuals covered by a collective bargaining agreement shall be conducted in accordance with the terms of such agreement.''.

# TITLE VII—BETTER ARTIFICIAL INTELLIGENCE FOR AMERICA

**SEC. 701. ACCESSIBILITY.**

Any products or materials made available under this title shall be made accessible for individuals with disabilities and individuals with limited English proficiency.

**SEC. 702. NATIONAL WORKFORCE COMPETENCY INITIATIVE.**

(a) ESTABLISHMENT.—Using amounts available for such purpose from the Artificial Intelligence Horizon Fund, the Secretary of Labor shall establish a national workforce competency initiative to facilitate the development, dissemination, and adoption of voluntary, nationally recognized competency frameworks, model curricula, assessment tools, and industry-recognized credentials for high-demand occupations within job sectors impacted by technological change.

(b) CONVENING.—In carrying out the initiative established under subsection (a), the Secretary shall convene sector-relevant representatives of—

(1) labor organizations;

(2) sponsors of an apprenticeship registered under the Act of August 16, 1937 (commonly known

as the ''National Apprenticeship Act''; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.).;

(3) institutions of higher education, including community colleges;

(4) State workforce agencies;

(5) local boards, as defined in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102);

(6) State Commissions on National and Community Service;

(7) industry associations;

(8) credentialing organizations;

(9) workforce training providers; and

(10) such other stakeholders as the Secretary determines appropriate.

(c) DUTIES.—In carrying out the initiative established under subsection (a), the Secretary, in consultation with the sector stakeholders described in subsection (b), shall, relevant to such sector—

(1) develop voluntary national competency frameworks for high-demand occupations;

(2) develop or support common assessment tools;

(3) facilitate development and recognition of industry-recognized credentials;

(4) maintain a publicly accessible national repository of competency frameworks, curricula, assessments, credentials, and related workforce training resources;

(5) promote interstate recognition and portability of industry-recognized credentials;

(6) coordinate with Federal agencies, States, institutions of higher education, employers, labor organizations, and workforce development entities to promote adoption of competency frameworks and credentials;

(7) periodically review and update competency frameworks to reflect technological change, including advances in artificial intelligence and other emerging technologies; and

(8) disseminate best practices and technical assistance to employers, educational institutions, workforce development boards, sponsors of an apprenticeship described in subsection (b)(3), and State workforce agencies.

(d) OCCUPATIONAL LICENSING.—Nothing in this section shall be construed to authorize the superseding, altering, or modification of an occupational or professional license issued or recognized by a State or the Federal Government.

**SEC. 703. NATIONAL CLEARINGHOUSE FOR ARTIFICIAL INTELLIGENCE EDUCATION.**

(a) ESTABLISHMENT.—Using amounts allocated for such purpose from the Artificial Intelligence Horizon Fund, the Secretary of Education shall establish and maintain a national clearinghouse for artificial intelligence education, which shall serve as a repository and collaboration platform for information, instructional resources, best and promising practices, and model educational materials related to the integration of artificial intelligence in education and educational instruction.

(b) DUTIES.—The clearinghouse established under subsection (a) shall—

(1) collect, curate, evaluate, and disseminate evidence-based instructional resources related to artificial intelligence education for elementary, secondary, and postsecondary education;

(2) identify and disseminate best and promising practices for instruction of responsible use of artificial intelligence;

(3) disseminate voluntary model curricula for age-appropriate artificial intelligence literacy across grades;

(4) identify and disseminate model guidance regarding—

(A) classroom use of artificial intelligence;

(B) academic integrity;

(C) responsible artificial intelligence use;

(D) student privacy;

(E) cybersecurity; and

(F) bias, transparency, hallucinations, misinformation, and disinformation; and

(5) maintain a publicly accessible online repository of lesson plans, instructional materials, assessment tools, professional development resources, research findings (including research on the impact of artificial intelligence on students and learning), competency frameworks, and model policies.

(c) LEVERAGING EXISTING REPOSITORIES.—In carrying out subsection (b), the Secretary shall utilize existing hubs and repositories that may provide such content and allow the clearinghouse to serve as an entry point to such platforms.

(d) UPDATING CLEARINGHOUSE CONTENT.—The Secretary of Education shall regularly review and update the contents of the clearinghouse to maintain up-to-date content.

(e) CONFLICTS OF INTEREST.—The Secretary of Education shall ensure appropriate disclosures to maintain research quality and independent review of materials hosted by the clearinghouse.

**SEC. 704. ARTIFICIAL INTELLIGENCE IN THE WORKPLACE.**

(a) ESTABLISHMENT.—Using amounts available for such purpose from the Artificial Intelligence Horizon Fund, the Secretary of Labor, in consultation with the Equal Employment Opportunity Commission, shall establish an initiative to develop, disseminate, and periodically update best practices and guidance for the safe, responsible, and effective integration of artificial intelligence technologies in the workplace.

(b) CONVENING.—In carrying out the initiative established under subsection (a), the Secretary shall convene representatives of—

(1) employers;

(2) human resource professionals and organizations representing human resource professionals;

(3) labor organizations;

(4) civil rights organizations;

(5) institutions of higher education;

(6) cybersecurity professions;

(7) legal professionals responsible for advising employers on workforce and employment matters; and

(8) such other public and private stakeholders as the Secretary determines appropriate.

(c) DUTIES.—In carrying out the initiative established under subsection (a), the Secretary, in consultation with the stakeholders described in subsection (b), shall—

(1) develop voluntary guidelines for employers regarding the responsible adoption and use of artificial intelligence technologies in the workplace;

(2) develop model policies and implementation resources for employers;

(3) identify practices to mitigate risks relating to worker privacy, bias, discrimination, transparency, and accountability in workplace uses of artificial intelligence, including practices related to—

(A) worker and labor organization participation in the design, procurement, testing, and evaluation of artificial intelligence;

(B) advance notice to, and consultation with, workers and labor organizations before the adoption of artificial intelligence technologies that materially affect working conditions;

(C) algorithmic management;

(D) workplace surveillance, including limits on the collection and use of worker data;

(E) automated employment decision tools;

(F) disclosure to workers related to the use of artificial intelligence;

(G) human review of consequential employment decisions, including decisions relating to hiring, scheduling, discipline, compensation, and termination;

(H) the ability of a worker to exercise professional judgment to override an automated determination, and protection from retaliation for doing so;

(I) the ability of a worker to meaningfully challenge or appeal employer decisions made using artificial intelligence, including the provision to the worker of an understandable explanation of the basis for an adverse decision and a process to request human reconsideration;

(J) protection from retaliation for a worker who reports a harm or misuse relating to workplace artificial intelligence;

(K) the identification and reporting by employers of workforce reductions substantially related to the adoption of artificial intelligence;

(L) independent testing for bias and discriminatory outcomes of artificial intelligence systems, before and during deployment; and

(M) the use of artificial intelligence to augment the capabilities of workers and improve job quality and workplace health and safety;

(4) periodically review and update the guidelines to reflect technological advances and emerging best practices;

(5) make all guidance, model policies, and related resources publicly available; and

(6) not later than 2 years after the date of enactment of this Act, and periodically thereafter, submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and Workforce of the House of Representatives a report identifying which of the practices described in paragraph (3) should be established as requirements, including any recommendation for legislation and an assessment of the extent to which voluntary adoption of such practices has occurred.

(d) FEDERAL AGENCIES.—In carrying out the initiative established under subsection (a), the Secretary shall develop guidance under this section that is suitable for use by Federal agencies in adopting artificial intelligence technologies affecting the work of their employees or the delivery of public services.

(e) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to alter any right or obligation under Federal labor or employment law or to affect the terms of a collective bargaining agreement.