

115TH CONGRESS
1ST SESSION

S. 1743

To amend the Internal Revenue Code of 1986 to create tax incentives for coal community zones, to provide education and training opportunities for individuals living and working in coal communities, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 3, 2017

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

A BILL

To amend the Internal Revenue Code of 1986 to create tax incentives for coal community zones, to provide education and training opportunities for individuals living and working in coal communities, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Coal Community Empowerment Act of 2017”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—COAL COMMUNITY ZONE TAX INCENTIVES

Sec. 101. Coal community zones.

TITLE II—EDUCATION AND TRAINING FOR COAL COMMUNITIES

Sec. 201. Definitions.

Sec. 202. Individual support accounts.

Sec. 203. Priority for employment and training activities for qualifying individuals.

Sec. 204. Development grants.

Sec. 205. Business training funds.

Sec. 206. Interagency agreement.

1 **TITLE I—COAL COMMUNITY**
 2 **ZONE TAX INCENTIVES**

3 **SEC. 101. COAL COMMUNITY ZONES.**

4 (a) IN GENERAL.—Subchapter Y of chapter 1 of the
 5 Internal Revenue Code of 1986 is amended by adding at
 6 the end the following new part:

7 **“PART IV—COAL COMMUNITY ZONES**

“Sec. 1400V-1. Definition of coal community zone.

“Sec. 1400V-2. Application of empowerment zone incentives to coal community zones.

“Sec. 1400V-3. Commercial revitalization deduction.

“Sec. 1400V-4. Exclusion of capital gains.

“Sec. 1400V-5. Application of new markets tax credit to investments in community development entities serving coal community zones.

8 **“SEC. 1400V-1. DEFINITION OF COAL COMMUNITY ZONE.**

9 “(a) IN GENERAL.—For purpose of this part, the
 10 term ‘coal community zone’ means any county in the
 11 United States in which—

12 “(1)(A) there were not less than 50 fewer indi-
 13 viduals employed at coal mines in such county for
 14 calendar year 2015 as compared to calendar year
 15 2011 (determined based on data collected by the

1 Federal Mine Safety and Health Administration),
 2 and

3 “(B) the quarterly average of the total number
 4 of employees employed in such county for the first
 5 calendar year in the applicable period (as estimated
 6 by the Bureau of Labor Statistics) was not more
 7 than 20,000, or

8 “(2) not less than an average of 5 percent of
 9 the total employment within the county during the
 10 applicable period was at coal mines.

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

12 “(1) APPLICABLE PERIOD.—The term ‘applica-
 13 ble period’ means the period beginning after Decem-
 14 ber 31, 2010, and ending before January 1, 2016.

15 “(2) COAL MINE.—The term ‘coal mine’ has the
 16 meaning given such term under section 3(h)(2) of
 17 the Federal Mine Safety and Health Act of 1977.

18 **“SEC. 1400V-2. APPLICATION OF EMPOWERMENT ZONE IN-**

19 **CENTIVES TO COAL COMMUNITY ZONES.**

20 “(a) IN GENERAL.—For purposes of this title, except
 21 as otherwise provided in this section, a coal community
 22 zone shall be treated as an empowerment zone designated
 23 under subchapter U.

24 “(b) PERIOD OF DESIGNATION.—A designation as an
 25 empowerment zone under subsection (a) shall remain in

1 effect during the period beginning on January 1, 2018,
2 and ending on December 31, 2022.

3 “(c) SPECIAL RULES FOR BONDS.—

4 “(1) IN GENERAL.—In the case of a coal com-
5 munity zone bond—

6 “(A) such bond shall not be treated as a
7 private activity bond for purposes of section
8 146, and

9 “(B) section 1394(c) shall not apply.

10 “(2) LIMITATION ON AMOUNT OF BONDS.—

11 “(A) IN GENERAL.—There is a national
12 coal community zone bond limitation for all coal
13 community zone bonds. Such limitation is
14 \$1,000,000,000.

15 “(B) ALLOCATION OF LIMITATION.—The
16 Secretary shall allocate the limitation under
17 subparagraph (A) to States in which there are
18 located coal community zones. Such allocation
19 shall be in proportion to the population of resi-
20 dents in coal community zones in such States
21 relative to the total population of residents in
22 all coal community zones. The limitation allo-
23 cated to a State under the preceding sentence
24 shall be allocated to issuers of coal community
25 zone bonds in such State.

1 “(C) DESIGNATION SUBJECT TO LIMITA-
2 TION AMOUNT.—The maximum face amount of
3 bonds issued which may be designated under
4 paragraph (3)(A) shall not exceed the limitation
5 amount allocated to such issuer under subpara-
6 graph (B).

7 “(3) COAL COMMUNITY BOND.—For purposes
8 of this subsection, the term ‘coal community bond’
9 means any bond which would be described in section
10 1394(a) if—

11 “(A) such bond was designated for pur-
12 poses of this subsection by the bond issuer, and

13 “(B) only coal community zones were
14 taken into account under sections 1397C and
15 1397D.

16 “(d) SPECIAL RULES FOR EMPLOYMENT CREDIT.—
17 In applying section 1396 to a coal community zone, the
18 term ‘qualified zone employee’ shall not include any indi-
19 vidual who begins work for the employer before January
20 1, 2018. Rules similar to section 51(i)(2) shall apply for
21 purposes of the preceding sentence.

22 “(e) SPECIAL RULES FOR INCREASED SECTION 179
23 EXPENSING.—

24 “(1) IN GENERAL.—In applying section 1397A
25 to a coal community zone—

1 “(A) ‘\$500,000’ shall be substituted for
2 ‘\$35,000’ in subsection (a)(1)(A), and

3 “(B) in lieu of applying subsection (a)(2),
4 the dollar amount in effect under section
5 179(b)(2) shall be increased by the lesser of—

6 “(i) \$500,000, or

7 “(ii) the cost of section 179 property
8 which is qualified zone property (as defined
9 in section 179D) placed in service during
10 the taxable year.

11 “(2) INFLATION ADJUSTMENT.—

12 “(A) IN GENERAL.—In the case of any
13 taxable year beginning in a calendar year after
14 2018, the \$500,000 amounts in subparagraphs
15 (A) and (B)(i) of paragraph (1) shall each be
16 increased by an amount equal to—

17 “(i) such dollar amount, multiplied by

18 “(ii) the cost-of-living adjustment de-
19 termined under section 1(f)(3) for the cal-
20 endar year in which the taxable year be-
21 gins, determined by substituting ‘calendar
22 year 2017’ for ‘calendar year 1992’ in sub-
23 paragraph (B) thereof.

1 “(B) ROUNDING.—Any increase deter-
 2 mined under subparagraph (A) shall be rounded
 3 to the nearest multiple of \$10,000.

4 “(f) SPECIAL RULES FOR NONRECOGNITION OF GAIN
 5 ON ROLLOVER OF EMPOWERMENT ZONE INVEST-
 6 MENTS.—In applying section 1397B to a coal community
 7 zone—

8 “(1) ‘December 31, 2017’ shall be substituted
 9 for ‘the date of the enactment of this paragraph’ in
 10 subsection (b)(1)(A)(iii), and

11 “(2) ‘January 1, 2023’ shall be substituted for
 12 ‘the day after the date set forth in section
 13 1391(d)(1)(A)(i)’ in subsection (b)(1)(A)(iv).

14 **“SEC. 1400V-3. COMMERCIAL REVITALIZATION DEDUCTION.**

15 “For purposes of section 1400I—

16 “(1) a coal community zone shall be treated as
 17 a renewal community, and

18 “(2) in applying such section to a coal commu-
 19 nity zone—

20 “(A) subsection (d)(2)(A) shall be applied
 21 by substituting ‘each calendar year after 2017
 22 and before 2023 is \$16,000,000 for each coal
 23 community zone (as defined in section 1400V-
 24 1) in the State’ for ‘each calendar year after

1 2001 and before 2010 is \$12,000,000 for each
2 renewal community in the State’, and

3 “(B) subsection (g) shall be applied by
4 substituting ‘December 31, 2022’ for ‘Decem-
5 ber 31, 2009’.

6 **“SEC. 1400V-4. EXCLUSION OF CAPITAL GAINS.**

7 “(a) IN GENERAL.—Gross income does not include
8 any qualified capital gain from the sale or exchange of
9 a qualified coal community zone asset held for more than
10 5 years.

11 “(b) QUALIFIED COAL COMMUNITY ZONE ASSET.—
12 For purposes of this section—

13 “(1) IN GENERAL.—The term ‘qualified coal
14 community zone asset’ means—

15 “(A) any qualified coal community zone
16 stock,

17 “(B) any qualified coal community zone
18 partnership interest, and

19 “(C) any qualified coal community zone
20 business property.

21 “(2) QUALIFIED COAL COMMUNITY ZONE
22 STOCK.—

23 “(A) IN GENERAL.—Except as provided in
24 subparagraph (B), the term ‘qualified coal com-

1 community zone stock’ means any stock in a do-
2 mestic corporation if—

3 “(i) such stock is acquired by the tax-
4 payer after December 31, 2017, and before
5 January 1, 2023, at its original issue (di-
6 rectly or through an underwriter) from the
7 corporation solely in exchange for cash,

8 “(ii) as of the time such stock was
9 issued, such corporation was a coal com-
10 munity zone business (or, in the case of a
11 new corporation, such corporation was
12 being organized for purposes of being a
13 coal community zone business), and

14 “(iii) during substantially all of the
15 taxpayer’s holding period for such stock,
16 such corporation qualified as a coal com-
17 munity zone business.

18 “(B) REDEMPTIONS.—A rule similar to
19 the rule of section 1202(c)(3) shall apply for
20 purposes of this paragraph.

21 “(3) QUALIFIED COAL COMMUNITY ZONE PART-
22 NERSHIP INTEREST.—The term ‘qualified coal com-
23 munity zone partnership interest’ means any capital
24 or profits interest in a domestic partnership if—

1 “(A) such interest is acquired by the tax-
2 payer after December 31, 2017, and before
3 January 1, 2023, from the partnership solely in
4 exchange for cash,

5 “(B) as of the time such interest was ac-
6 quired, such partnership was a coal community
7 zone business (or, in the case of a new partner-
8 ship, such partnership was being organized for
9 purposes of being a coal community zone busi-
10 ness), and

11 “(C) during substantially all of the tax-
12 payer’s holding period for such interest, such
13 partnership qualified as a coal community zone
14 business.

15 A rule similar to the rule of paragraph (2)(B) shall
16 apply for purposes of this paragraph

17 “(4) QUALIFIED COAL COMMUNITY ZONE BUSI-
18 NESS PROPERTY.—

19 “(A) IN GENERAL.—The term ‘qualified
20 coal community zone business property’ means
21 tangible property if—

22 “(i) such property was acquired by
23 the taxpayer by purchase (as defined in
24 section 179(d)(2)) after December 31,
25 2017, and before January 1, 2023,

1 “(ii) the original use of such property
2 in the coal community zone commences
3 with the taxpayer, and

4 “(iii) during substantially all of the
5 taxpayer’s holding period for such prop-
6 erty, substantially all of the use of such
7 property was in a coal community zone
8 business of the taxpayer.

9 “(B) SPECIAL RULE FOR SUBSTANTIAL IM-
10 PROVEMENTS.—The requirements of clauses (i)
11 and (ii) of subparagraph (A) shall be treated as
12 satisfied with respect to—

13 “(i) property which is substantially
14 improved by the taxpayer before January
15 1, 2023, and

16 “(ii) any land on which such property
17 is located.

18 The determination of whether a property is sub-
19 stantially improved shall be made under clause
20 (ii) of section 1400B(b)(4)(B), except that ‘De-
21 cember 31, 2017’ shall be substituted for ‘De-
22 cember 31, 1997’ in such clause.

23 “(5) COAL COMMUNITY ZONE BUSINESS.—For
24 purposes of this section, the term ‘coal community
25 zone business’ means any entity or proprietorship

1 which would be a qualified business entity or quali-
2 fied proprietorship under section 1397C if references
3 to coal community zones were substituted for ref-
4 erences to empowerment zones.

5 “(c) QUALIFIED CAPITAL GAIN.—For purposes of
6 this section—

7 “(1) IN GENERAL.—Except as otherwise pro-
8 vided in this subsection, the term ‘qualified capital
9 gain’ means any gain recognized on the sale or ex-
10 change of—

11 “(A) a capital asset, or

12 “(B) property used in the trade or busi-
13 ness (as defined in section 1231(b)).

14 “(2) GAIN BEFORE 2018 OR AFTER 2022 NOT
15 QUALIFIED.—The term ‘qualified capital gain’ shall
16 not include any gain attributable to periods before
17 January 1, 2018, or after December 31, 2022.

18 “(3) CERTAIN RULES TO APPLY.—Rules similar
19 to the rules of paragraphs (3), (4), and (5) of sec-
20 tion 1400B(e) shall apply for purposes of this sub-
21 section.

22 “(d) CERTAIN RULES TO APPLY.—For purposes of
23 this section, rules similar to the rules of paragraphs (5),
24 (6), and (7) of subsection (b), and subsections (f) and (g),
25 of section 1400B shall apply; except that for such pur-

1 poses section 1400B(g)(2) shall be applied by substituting
 2 ‘January 1, 2018’ for ‘January 1, 1998’ and ‘December
 3 31, 2022’ for ‘December 31, 2014’.

4 “(e) REGULATIONS.—The Secretary shall prescribe
 5 such regulations as may be appropriate to carry out the
 6 purposes of this section, including regulations to prevent
 7 the abuse of the purposes of this section.

8 **“SEC. 1400V-5. APPLICATION OF NEW MARKETS TAX CRED-**
 9 **IT TO INVESTMENTS IN COMMUNITY DEVEL-**
 10 **OPMENT ENTITIES SERVING COAL COMMU-**
 11 **NITY ZONES.**

12 “For purposes of section 45D—

13 “(1) a qualified community development entity
 14 shall be eligible for an allocation under subsection
 15 (f)(2) thereof of the increase in the new markets tax
 16 credit limitation described in paragraph (2) only if
 17 a significant mission of such entity is the recovery
 18 and redevelopment of population census tracts with-
 19 in coal community zones,

20 “(2) the new markets tax credit limitation oth-
 21 erwise determined under subsection (f)(1) thereof
 22 shall be increased by an amount equal to
 23 \$300,000,000 for each of calendar years 2017,
 24 2018, 2019, and 2020, to be allocated among quali-
 25 fied community development entities to make quali-

1 fied low-income community investments within coal
2 community zones, and

3 “(3) subsection (f)(3) thereof shall be applied
4 separately with respect to the amount of the increase
5 under paragraph (2).”.

6 (b) CONFORMING AMENDMENTS.—

7 (1) Section 1394(f)(3)(B) of the Internal Rev-
8 enue Code of 1986 is amended by inserting “or any
9 coal community zone” after “District of Columbia
10 Enterprise Zone”.

11 (2) The table of parts for subchapter Y of chap-
12 ter 1 of the Internal Revenue Code of 1986 is
13 amended by adding at the end the following new
14 item:

 “PART IV—COAL COMMUNITY ZONES”.

15 **TITLE II—EDUCATION AND**
16 **TRAINING FOR COAL COMMU-**
17 **NITIES**

18 **SEC. 201. DEFINITIONS.**

19 In this title:

20 (1) COAL COMMUNITY INDIVIDUAL.—The term
21 “coal community individual” means an individual—

22 (A) with a principal residence in a coal
23 community zone; or

24 (B) who works in a coal community zone.

1 (2) COAL COMMUNITY STUDENT.—The term
2 “coal community student” means a coal community
3 individual attending an educational program.

4 (3) COAL COMMUNITY ZONE.—The term “coal
5 community zone” has the meaning given the term in
6 section 1400V–1 of the Internal Revenue Code of
7 1986, as added by section 101.

8 (4) COAL-FIRED GENERATOR.—The term “coal-
9 fired generator” means an electric utility steam gen-
10 erating unit that burns coal for 50 percent or more
11 of the average annual heat input.

12 (5) COAL-RELATED EMPLOYEE.—The term
13 “coal-related employee” means, with respect to any
14 county, any individual who—

15 (A) is employed at a coal mine (as defined
16 in section 3(h)(2) of the Federal Mine Safety
17 and Health Act of 1977(30 U.S.C. 802)) in
18 such county, or

19 (B) is employed at a coal-fired generator
20 located in such county by the owner of such
21 coal-fired generator.

22 (6) ELIGIBLE ENTITY.—The term “eligible enti-
23 ty” means a partnership between—

1 (A)(i) an institution of higher education
 2 (as defined in section 102 of the Higher Edu-
 3 cation Act of 1965 (20 U.S.C. 1002));

4 (ii) a nonprofit educational organization;
 5 or

6 (iii) a provider identified under section 122
 7 of the Workforce Innovation and Opportunity
 8 Act (29 U.S.C. 3152); and

9 (B) not less than 1 business or industry
 10 that intends to expand or hire additional or new
 11 workers who are coal community individuals or
 12 who previously worked in the coal community
 13 zone.

14 (7) IN-DEMAND INDUSTRY SECTOR OR OCCUPA-
 15 TIONS.—The term “in-demand industry sector or oc-
 16 cupation” has the meaning given the term in section
 17 3 of the Workforce Innovation and Opportunity Act
 18 (29 U.S.C. 3102).

19 (8) LOCAL ADMINISTRATOR.—The term “local
 20 administrator” means an entity that—

21 (A) is—

22 (i) a local governmental agency;

23 (ii) a partnership consisting of a local
 24 governmental agency and an institution of

1 higher education or a nonprofit organiza-
2 tion;

3 (iii) a local board (as defined in sec-
4 tion 3 of the Workforce Innovation and
5 Opportunity Act (29 U.S.C. 3102));

6 (iv) a State governmental agency; or

7 (v) a nonprofit organization; and

8 (B) has been selected by the local govern-
9 ment of a coal community zone to administer
10 the individual support account program under
11 section 202 and the business training fund pro-
12 gram under section 205, to the extent the local
13 government elects to apply for grants under ei-
14 ther such section.

15 (9) QUALIFYING INDIVIDUAL.—The term
16 “qualifying individual” means an individual—

17 (A) whose principal residence is within a
18 coal community zone; and

19 (B) whom the local administrator of the
20 coal community zone determines is in need of
21 additional education and training in order to
22 obtain long-term employment at a high wage.

23 (10) RECOGNIZED POSTSECONDARY CREDEN-
24 TIAL.—The term “recognized postsecondary creden-
25 tial” has the meaning given the term in section 3 of

1 the Workforce Innovation and Opportunity Act (29
2 U.S.C. 3102).

3 (11) SECRETARIES.—The term “Secretaries”
4 means the Secretary of Education and the Secretary
5 of Labor.

6 **SEC. 202. INDIVIDUAL SUPPORT ACCOUNTS.**

7 (a) PROGRAM AUTHORIZED.—

8 (1) IN GENERAL.—For each fiscal year for
9 which funds are available under subsection (f), the
10 Secretaries, in accordance with the interagency
11 agreement described in section 206, shall carry out
12 a program awarding grants to local administrators
13 of coal community zones, to enable the local admin-
14 istrators to use such funds to manage individual
15 support accounts for qualifying individuals.

16 (2) DURATION.—

17 (A) IN GENERAL.—Grants awarded under
18 paragraph (1) shall be expended for approved
19 education and training by the last day of the 3-
20 year period beginning on the award date.

21 (B) RENEWAL.—The Secretaries may
22 renew a grant under paragraph (1) once for an
23 additional 2-year period, if the local adminis-
24 trator demonstrates that the program under the

1 grant has had a record of success and high-
2 quality outcomes.

3 (b) APPLICATION.—A local administrator of a coal
4 community zone desiring funds under this section shall
5 submit an application to the Secretaries at such time, in
6 such manner, and containing such information, as the Sec-
7 retaries may require. Such application shall include—

8 (1) the number of qualifying individuals in the
9 community;

10 (2) a plan for allocating funds to qualifying in-
11 dividuals;

12 (3) a description of the providers of education
13 and training in the community and their outcomes-
14 based track record of success, including, for such
15 programs—

16 (A) the student completion rates of the
17 programs of education and training;

18 (B) the employment rates for students
19 completing the programs of education and
20 training as of 1 year, 3 years, and 5 years after
21 the completion of the program; and

22 (C) the annual salary of students com-
23 pleting the programs of education and training
24 as of 1 year, 3 years, and 5 years after comple-
25 tion of the program; and

1 (4) if new eligible education and training pro-
2 viders are expected to open or expand to the coal
3 community zone or the local administrator plans to
4 recruit or encourage new such providers—

5 (A) a description of such providers; and

6 (B) evidence to demonstrate such providers
7 will be high-quality and result in the employ-
8 ment of a significant percentage of individuals
9 in high-wage, in demand industries.

10 (c) DISTRIBUTION OF FUNDS.—The Secretaries shall
11 award funds under this section to local administrators
12 that submit an application under subsection (b) based
13 on—

14 (1) the number of people affected by the decline
15 in employment opportunities for coal-related employ-
16 ees during the applicable period;

17 (2) the quality of the providers of education
18 and training in the community; and

19 (3) the likelihood that funding will result in em-
20 ployment in a high-demand, high-wage industry for
21 coal-related employees or others in the community in
22 need of additional education and training.

23 (d) USE OF FUNDS.—

24 (1) IN GENERAL.—A local administrator receiv-
25 ing funds under this section for a coal community

1 zone shall use such funds to establish individual sup-
2 port accounts described in paragraph (2) for quali-
3 fying individuals.

4 (2) INDIVIDUAL SUPPORT ACCOUNTS.—

5 (A) IN GENERAL.—Amounts made avail-
6 able through an individual support account es-
7 tablished for a qualifying individual shall be
8 used to pay for education and training costs de-
9 scribed in paragraph (3) that will prepare the
10 qualifying individual for long-term, high-wage
11 employment.

12 (B) AMOUNT.—For any fiscal year, the
13 amount provided under this section for an indi-
14 vidual support account of a qualifying indi-
15 vidual for a fiscal year shall not exceed the
16 maximum amount of a Federal Pell Grant for
17 the most recent award year.

18 (C) LIMITED FUNDS.—If, for any fiscal
19 year, the amount of funds provided under this
20 section to a local administrator for a coal com-
21 munity zone are not enough to fund individual
22 support accounts for all qualifying individuals
23 in the coal community zone requesting such ac-
24 counts, the local administrator shall give a pri-
25 ority to qualifying individuals requesting to use

1 the account funds for education and training
2 programs that—

3 (i) prepare individuals for in-demand
4 industry sectors or occupations; and

5 (ii) have strong outcomes based on
6 the criteria described in subsection
7 (e)(1)(B).

8 (3) ELIGIBLE EDUCATION AND TRAINING PRO-
9 GRAMS.—

10 (A) IN GENERAL.—Amounts provided in
11 an individual support account for a qualifying
12 individual may be used for costs related to a
13 program of education and training approved by
14 the local administrator under subparagraph
15 (B), which may include—

16 (i) a program offered by an institution
17 of higher education (as defined in section
18 102 of the Higher Education Act of 1965
19 (20 U.S.C. 1002));

20 (ii) a program of training, including a
21 program leading to a recognized postsec-
22 ondary credential, offered by an eligible
23 provider of training services identified
24 under section 122 of the Workforce Inno-

1 vation and Opportunity Act (29 U.S.C.
2 3152); and

3 (iii) costs (including associated edu-
4 cation, curriculum, and mentorship costs),
5 related to an apprenticeship, internship, or
6 externship—

7 (I) in an in-demand industry sec-
8 tor or occupation; or

9 (II) for a position where there is
10 a reasonable expectation of long-term
11 employment.

12 (B) ADDITIONAL EDUCATION AND TRAIN-
13 ING PROGRAMS.—A local administrator shall
14 provide a process through which the adminis-
15 trator may approve the use of funds in an indi-
16 vidual support account for education or training
17 expenses. Through such process, the adminis-
18 trator shall—

19 (i) allow a qualified individual to re-
20 quest the approval of a particular provider
21 or program of education and training, or a
22 particular education and training expense,
23 on an individual basis;

1 (ii) before approving a provider, pro-
2 gram of education or training, or other
3 education and training expense, consider—

4 (I) the local industry demands;

5 (II) the likelihood that an indi-
6 vidual will be employed following the
7 completion of the program of edu-
8 cation or training; and

9 (III) the quality and effectiveness
10 of the program of education or train-
11 ing offered by the provider, based on
12 the outcomes-based record of success
13 of the provider, including—

14 (aa) the student completion
15 rates of the programs of edu-
16 cation and training offered by the
17 provider;

18 (bb) the employment rates
19 for students completing the pro-
20 grams of education and training
21 as of 1 year, 3 years, and 5 years
22 after the completion of the pro-
23 gram; and

24 (cc) the annual salary of
25 students completing the pro-

1 grams of education and training
2 as of 1 year, 3 years, and 5 years
3 after completion of the program;
4 and

5 (iii) make a determination that such
6 provider is in the best interest of the coal
7 community zone and the qualifying individ-
8 uals.

9 (e) REPORTS.—

10 (1) LOCAL ADMINISTRATOR REPORTS.—Each
11 local administrator receiving funds under this sec-
12 tion for a fiscal year shall, for each such year, pre-
13 pare and submit a report to the Secretaries that in-
14 cludes—

15 (A) a description of the achievements of
16 the program supported under this section, in-
17 cluding the program’s levels of performance
18 achieved with respect to the primary indicators
19 of performance described in section
20 116(b)(2)(A)(i) of the Workforce Innovation
21 and Opportunity Act (29 U.S.C.
22 3141(b)(2)(A)(i));

23 (B) a description of the outcomes-based re-
24 sults for the programs of training and edu-
25 cation for which funds were used under this

1 section, in the aggregate and individually, in-
2 cluding—

3 (i) the student completion rates of the
4 program of education and training;

5 (ii) the employment rates for students
6 completing the program of education and
7 training as of 1 year, 3 years, and 5 years
8 after the completion of the program; and

9 (iii) the annual salary of students
10 completing the program of education and
11 training as of 1 year, 3 years, and 5 years
12 after completion of the program;

13 (C) the return on investment of funds pro-
14 vided to individual support accounts under this
15 section; and

16 (D) any other information that the Secre-
17 taries may require.

18 (2) REPORT TO CONGRESS.—The Secretaries
19 shall prepare and submit an annual report to Con-
20 gress regarding the program supported under this
21 section.

22 (3) INSTITUTE OF EDUCATION SCIENCES EVAL-
23 UATION.—The Director of the Institute of Education
24 Sciences shall evaluate the effectiveness, quality, and
25 return in investment of funds under this section.

1 (f) AUTHORIZATION OF APPROPRIATIONS.—There
 2 are authorized to be appropriated to the Secretary of
 3 Labor to carry out this section such sums as may be nec-
 4 essary for each of fiscal years 2018 through 2023.

5 **SEC. 203. PRIORITY FOR EMPLOYMENT AND TRAINING AC-**
 6 **TIVITIES FOR QUALIFYING INDIVIDUALS.**

7 (a) REQUIRED LOCAL EMPLOYMENT AND TRAINING
 8 ACTIVITIES.—Section 134(c) of the Workforce Innovation
 9 and Opportunity Act (29 U.S.C. 3174(c)) is amended by
 10 adding at the end the following:

11 “(4) PRIORITY INDIVIDUALS.—

12 “(A) IN GENERAL.—With respect to funds
 13 allocated to a local area for adult employment
 14 and training activities under paragraph (2)(A)
 15 or (3) of section 133(b) or for dislocated worker
 16 employment and training activities under sec-
 17 tion 133(b)(2)(B), priority shall be given to pri-
 18 ority individuals for receipt of career services
 19 described in paragraph (2) and training serv-
 20 ices. The appropriate local board and the Gov-
 21 ernor shall direct the one-stop operators in the
 22 local area with regard to making determinations
 23 related to such priority.

24 “(B) DEFINITION.—In this paragraph, the
 25 term ‘priority individual’ means a qualifying in-

1 dividual, as defined in section 201 of the Coal
2 Community Empowerment Act of 2017, who is
3 eligible to receive the service involved under this
4 subsection.”.

5 (b) ALLOWABLE LOCAL EMPLOYMENT AND TRAIN-
6 ING ACTIVITIES.—Section 134(d) of the Workforce Inno-
7 vation and Opportunity Act (29 U.S.C. 3174(d)) is
8 amended by adding at the end the following:

9 “(6) PRIORITY INDIVIDUALS.—

10 “(A) IN GENERAL.—With respect to funds
11 allocated to a local area for adult employment
12 and training activities under paragraph (2)(A)
13 or (3) of section 133(b) or for dislocated worker
14 employment and training activities under sec-
15 tion 133(b)(2)(B), priority shall be given to pri-
16 ority individuals for receipt of services described
17 in paragraphs (1) through (5) of this sub-
18 section. The appropriate local board and the
19 Governor shall direct the one-stop operators in
20 the local area with regard to making determina-
21 tions related to such priority.

22 “(B) DEFINITION.—In this paragraph, the
23 term ‘priority individual’ means a qualifying in-
24 dividual, as defined in section 201 of the Coal
25 Community Empowerment Act of 2017, who is

1 eligible to receive the service involved under this
2 subsection.”.

3 **SEC. 204. DEVELOPMENT GRANTS.**

4 (a) PROGRAM AUTHORIZED.—

5 (1) IN GENERAL.—From amounts made avail-
6 able to carry out this section, the Secretaries, in ac-
7 cordance with the interagency agreement described
8 in section 206, shall award grants, on a competitive
9 basis, to eligible entities, to support the eligible enti-
10 ties in the development, revamping, improvement, or
11 expansion of programs of education and training for
12 coal community zones in in-demand industry sectors
13 or occupations or in industries in local demand.

14 (2) DURATION.—

15 (A) IN GENERAL.—A grant awarded under
16 this section shall be for a period of 3 years.

17 (B) RENEWAL.—The Secretaries may
18 renew a grant awarded under section for a sin-
19 gle 2-year period, if—

20 (i) the eligible entity demonstrates
21 that the program under the grant has a
22 record of success and high-quality out-
23 comes; and

24 (ii) the local government or local ad-
25 ministrator that submitted the demonstra-

1 tion of application approval under the ini-
2 tial application under subsection (b)(1)(E)
3 approves of the renewal.

4 (b) APPLICATION.—

5 (1) IN GENERAL.—An eligible entity desiring a
6 grant under this section shall submit an application
7 to the Secretaries at such time, in such manner, and
8 containing such information as the Secretaries may
9 require, including—

10 (A) the number of coal community stu-
11 dents in the coal community zone to be served;

12 (B) a plan for allocating funds to coal
13 community students;

14 (C) a description of the eligible entity's
15 track record of success with the programs of
16 education and training to be supported under
17 the grant, including—

18 (i) the student completion rates of the
19 programs of education and training;

20 (ii) the employment rates for students
21 completing the programs of education and
22 training as of 1 year, 3 years, and 5 years
23 after the completion of the program;

24 (D) a demonstration that the eligible entity
25 is of high quality and will be a benefit to the

1 coal community students and the coal commu-
2 nity zone;

3 (E) a demonstration of application ap-
4 proval from the local government of the coal
5 community zone or, in the case of a coal com-
6 munity zone receiving a grant under section
7 202, the local administrator for such grant, in-
8 cluding a statement that the application and
9 funds requested under the application is in the
10 best interest of the coal community zone and
11 coal community students; and

12 (F) an assurance that if the program sup-
13 ported under the grant does not enroll the re-
14 quired percentage of coal community students
15 under subsection (c)(1), the eligible entity shall
16 reimburse the Secretaries, in the amount and
17 manner described in subsection (d).

18 (c) USE OF FUNDS.—An eligible entity receiving a
19 grant under this program shall use such funds for the de-
20 velopment, revamping, improvement, or expansion of a
21 high-quality training and education program that—

22 (1) predominantly serves coal community stu-
23 dents by ensuring that not less than 75 percent of
24 the students enrolled in the program are coal com-
25 munity students;

1 (2) provides training in high-wage, high-demand
2 industries or in industries in local demand;

3 (3) is free or offered at a very low cost to coal
4 community students; and

5 (4) enters into an agreement with each coal
6 community student that enrolls in the program to
7 ensure that the eligible entity can obtain the infor-
8 mation necessary for the report under subsection
9 (e)(1).

10 (d) REIMBURSEMENT.—

11 (1) IN GENERAL.—An eligible entity that does
12 not enroll the required percentage described in sub-
13 section (c)(1) shall reimburse the Secretaries in the
14 amount equal to the product of—

15 (A) the average per-student cost of the
16 program; and

17 (B) the number of additional coal commu-
18 nity students that would have been needed in
19 order for the program to meet the 75 percent
20 coal community student enrollment requirement
21 under subsection (c)(1).

22 (2) USE OF REIMBURSED FUNDS.—Any funds
23 reimbursed to the Secretaries under this subsection
24 may be used by the Secretaries to award additional
25 grants under this section.

1 (e) REPORTS.—

2 (1) ELIGIBLE ENTITY REPORT.—Each eligible
3 entity receiving a grant under this section shall pre-
4 pare and submit to the Secretaries an annual report
5 regarding the outcomes of the grant, including—

6 (A) the number of students, and the num-
7 ber of coal community students, enrolled in the
8 program supported under the grant;

9 (B) the number of students, and the num-
10 ber of coal community students, completing
11 such program;

12 (C) the number of students, and the num-
13 ber of coal community students, who have com-
14 pleted such program and who are employed
15 after completion of such program as of—

16 (i) 6 months after the date of comple-
17 tion;

18 (ii) 1 year after the date of comple-
19 tion;

20 (iii) 3 years after the date of comple-
21 tion; and

22 (iv) 5 years after the date of comple-
23 tion;

1 (D) the average wage of students, and the
2 average wage of coal community students, who
3 have completed such program as of—

4 (i) 6 months after the date of comple-
5 tion;

6 (ii) 1 year after the date of comple-
7 tion; and

8 (iii) 3 years after the date of comple-
9 tion; and

10 (E) the satisfaction rate of all students,
11 and the satisfaction rate of coal community stu-
12 dents, including students who completed the
13 program and students who did not complete—

14 (i) 6 months after the date of comple-
15 tion or leaving the program;

16 (ii) 1 year after the date of completion
17 or leaving the program; and

18 (iii) 3 years after the date of comple-
19 tion or leaving the program.

20 (2) REPORT TO CONGRESS.—The Secretaries
21 shall prepare and submit an annual report to Con-
22 gress regarding the grants awarded under this sec-
23 tion.

24 (3) INSTITUTE OF EDUCATION SCIENCES EVAL-
25 UATION.—The Director of the Institute of Education

1 Sciences shall evaluate the effectiveness, quality, and
2 return in investment of grant funds provided under
3 this section.

4 (f) AUTHORIZATION OF APPROPRIATIONS.—There
5 are authorized to be appropriated to the Secretary of Edu-
6 cation to carry out this section such sums as may be nec-
7 essary for fiscal years 2018 through 2023.

8 **SEC. 205. BUSINESS TRAINING FUNDS.**

9 (a) PROGRAM AUTHORIZED.—

10 (1) IN GENERAL.—From amounts made avail-
11 able under subsection (e), the Secretaries, in accord-
12 ance with the interagency agreement under section
13 206, shall award grants, on a competitive basis, to
14 local administrators to enable the local administra-
15 tors to award subgrants under subsection (c) to
16 businesses to provide in-house training, and future
17 employment, to coal community individuals.

18 (2) DURATION.—

19 (A) IN GENERAL.—A grant awarded under
20 this section shall be for a 3-year period.

21 (B) LIMITATION.—A local administrator
22 may not receive more than 1 grant under this
23 section.

24 (b) APPLICATIONS.—A local administrator desiring a
25 grant under this section shall submit to the Secretaries

1 an application at such time, in such manner, and con-
2 taining such information as the Secretaries may require,
3 including—

4 (1) the number of coal community individuals
5 in the coal community zone to be served;

6 (2) the number of coal community individuals
7 that will benefit from the program;

8 (3) a description of the eligible businesses de-
9 scribed in subsection (c)(2) that will participate in
10 the program proposed under the grant, including the
11 in-demand industry sectors or occupations rep-
12 resented by the businesses;

13 (4) the target employment numbers of partici-
14 pating individuals for the eligible businesses partici-
15 pating;

16 (5) a plan for allocating grant funds to busi-
17 nesses; and

18 (6) a description of the process through which
19 the coal community agency will evaluate any re-
20 quests to waive the employment requirement under
21 subsection (c)(3)(B).

22 (c) SUBGRANTS.—

23 (1) IN GENERAL.—Each local administrator re-
24 ceiving a grant under this section shall use grant
25 funds to award subgrants, to eligible businesses de-

1 scribed in paragraph (2), to enable the eligible busi-
2 nesses to provide in-house training to coal commu-
3 nity individuals in preparation for employment with
4 or advancement within the eligible businesses.

5 (2) ELIGIBILITY.—In order to be eligible for a
6 subgrant under this subsection, a business shall—

7 (A) be a business located in a coal commu-
8 nity zone; and

9 (B) provide an assurance that the business
10 will hire, for a minimum of one year, each coal
11 community individual who completes the in-
12 house training provided under the subgrant or
13 will reimburse the local administrator in accord-
14 ance with paragraph (3).

15 (3) REIMBURSEMENT OF TRAINING FOR EM-
16 PLOYEES NOT HIRED.—

17 (A) IN GENERAL.—A business that does
18 not hire or retain, for a period of not less than
19 1 year, all coal community individuals who com-
20 plete the in-house training provided under a
21 subgrant under this subsection shall reimburse
22 the local administrator in the amount equal to
23 the cost of the training provided to such em-
24 ployee, subject to subparagraph (B).

1 (B) WAIVER.—Upon request by a business
2 receiving a subgrant under this subsection, the
3 local administrator may waive the reimburse-
4 ment requirement of subparagraph (A) for a
5 business if the local administrator determines
6 that—

7 (i) the business made substantial ef-
8 fort to comply with the employment re-
9 quirement under subparagraph (A);

10 (ii) hired a significant percentage of
11 individuals relative to the amount of funds
12 provided under the grant; or

13 (iii) the decision made by the business
14 to not hire or retain an individual was for
15 cause.

16 (C) USE OF REIMBURSED FUNDS.—By not
17 later than 30 days after receiving a reimburse-
18 ment under paragraph (3)(A), a local adminis-
19 trator—

20 (i) shall report the receipt of such
21 funds to the Secretaries; and

22 (ii) may apply to the Secretaries for
23 permission to reallocate the funds received
24 under this paragraph during the grant pe-
25 riod.

1 (d) REPORTS.—

2 (1) REPORTS BY BUSINESSES.—Each business
3 receiving a subgrant under subsection (c) shall pre-
4 pare and submit an annual report to the local ad-
5 ministrator regarding the subgrant, including—

6 (A) the numbers of coal community indi-
7 viduals—

8 (i) beginning the training provided
9 under this section;

10 (ii) completing such training;

11 (iii) hired by the business within 3
12 months of completion; and

13 (iv) still employed by the business, as
14 of 6 months, 1 year, 2 years, and 4 years
15 after the completion of the training; and

16 (B) the average salary of the coal commu-
17 nity individuals hired after completing the
18 training.

19 (2) REPORTS BY COAL COMMUNITY AGEN-
20 CIES.—Each local administrator receiving a grant
21 under this section shall prepare and submit an an-
22 nual report to the Secretaries regarding the grant
23 under this section.

24 (3) REPORT BY SECRETARIES.—The Secretaries
25 shall prepare and submit an annual report to Con-

1 gress regarding the grant program under this sec-
2 tion that includes the information provided by the
3 coal community agencies under paragraph (2).

4 (4) INSTITUTE OF EDUCATION SCIENCES EVAL-
5 UATION.—The Director of the Institute of Education
6 Sciences shall evaluate the effectiveness, quality, and
7 return in investment of grant funds provided under
8 this section.

9 (e) AUTHORIZATION OF APPROPRIATIONS.—There
10 are authorized to be appropriated to the Secretary of
11 Labor to carry out this section such sums as may be nec-
12 essary for each of fiscal years 2018 through 2023.

13 **SEC. 206. INTERAGENCY AGREEMENT.**

14 The Secretary of Education and the Secretary of
15 Labor shall jointly administer the programs under sections
16 203, 204, and 205 in accordance with such terms as the
17 Secretaries set forth in an interagency agreement. Such
18 interagency agreement shall include, at a minimum and
19 for each such program—

20 (1) a description of the respective roles and re-
21 sponsibilities of the Secretaries (both jointly and
22 separately); and

23 (2) provisions establishing that, for each of the
24 programs under such sections, the Secretary to
25 whom funds are authorized to be appropriated under

1 section 202(f), 204(f), or 205(e) shall have fiscal au-
2 thority over the program carried out under such sec-
3 tion and will be responsible for the obligation and
4 disbursement of such funds.

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