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(Original Signature of Member)

116TH CONGRESS  
2D SESSION

# H. R.

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To establish an independent agency in the executive branch to be known as the Federal Institute of Technology, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

Mr. KHANNA introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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# A BILL

To establish an independent agency in the executive branch to be known as the Federal Institute of Technology, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “21st Century Jobs  
5 Act”.

6 **SEC. 2. FINDINGS AND SENSE OF CONGRESS.**

7 (a) FINDINGS.—Congress finds the following:

1           (1) In the year 2018, funding for research and  
2           development in science and technology in the United  
3           States was \$124.7 billion, or approximately 0.6 per-  
4           cent of the gross domestic product.

5           (2) In the year 1964, the United States spent  
6           approximately 2 percent of gross domestic product  
7           on research and development in science and tech-  
8           nology.

9           (3) Public funding for research and develop-  
10          ment in science and technology financed a majority  
11          of the innovations that powered growth in the  
12          United States after World War II, including digital  
13          computing and modern pharmaceutical science.

14          (4) The United States currently ranks ninth in  
15          the world for total percentage of gross domestic  
16          product used for research and development in  
17          science and technology and twelfth in the world for  
18          public funding for research and development in  
19          science and technology.

20          (5) Funding for research and development in  
21          science and technology is concentrated in a small  
22          number of geographic regions in the United States.

23          (6) Established technology centers that promote  
24          research and development in science and technology  
25          are extremely crowded, have high real estate costs,

1 and are in locations that require long commutes for  
2 many of the researchers at such centers.

3 (7) The private sector has a limited ability or  
4 desire to invest outside of such centers, which limits  
5 the potential for growth in science and technology,  
6 including the availability of employment opportuni-  
7 ties in such industries.

8 (8) Increasing public funding for research and  
9 development in science and technology to 1 percent  
10 of the gross domestic product would significantly in-  
11 crease the rank of the United States with respect to  
12 funding for such research and development among  
13 developed countries.

14 (b) SENSE OF CONGRESS.—It is the sense of the  
15 Congress that amounts provided through this Act will be  
16 used—

17 (1) in a manner that is similar to break-  
18 through-focused, project management models of the  
19 Defense Advanced Research Projects Agency of the  
20 Department of Defense; and

21 (2) to supplement existing funding to Federal  
22 agencies.

23 **SEC. 3. THE FEDERAL INSTITUTE OF TECHNOLOGY.**

24 (a) ESTABLISHMENT.—There is established in the ex-  
25 ecutive branch of the Government an independent agency

1 to be known as the “Federal Institute of Technology” (in  
2 this section referred to as the “Institute”).

3 (b) HEADQUARTERS.—The Institute shall be  
4 headquartered in the District of Columbia.

5 (c) BOARD OF DIRECTORS.—

6 (1) IN GENERAL.—The Institute shall have a  
7 Board of Directors (in this section referred to as the  
8 “Board”).

9 (2) DUTIES OF THE BOARD.—The duties of the  
10 Board shall include the following:

11 (A) Not later than 2 years after the date  
12 of the enactment of this section, establish a  
13 minimum of 10 local boards in accordance with  
14 subsection (d), including—

15 (i) appointing the members of each  
16 local board with consideration given to the  
17 recommendations provided pursuant to  
18 subsection (d)(1)(A)(iii);

19 (ii) providing funding to local boards  
20 to support the local boards in achieving the  
21 duties under subsection (d)(3) and to carry  
22 out the comprehensive strategy under sub-  
23 section (d)(2), including funds from  
24 amounts in the private endowment estab-  
25 lished under subsection (e); and

1 (iii) annually evaluate the effective-  
2 ness of each local board based on the re-  
3 quirements developed pursuant to sub-  
4 section (d)(1)(D).

5 (B) Provide funds to Federal, State, and  
6 local agencies to support programs and research  
7 in the qualified subjects, including programs  
8 and research in certain technology sectors.

9 (3) LOCAL BOARD LIMITATION.—The Board  
10 may establish—

11 (A) not more than 30 local boards in the  
12 10-year period after the date of the enactment  
13 of this Act; and

14 (B) not more than 3 local boards each fis-  
15 cal year during such period.

16 (4) NEW LOCAL BOARD APPLICATIONS.—The  
17 Board may consider new applications on an annual  
18 basis each fiscal year for the 10-year period after  
19 the date of the enactment of this Act, and every 3  
20 years thereafter.

21 (5) MEMBERS; CHAIR.—The President shall—

22 (A) appoint 5 members of the Board by  
23 and with the advice and consent of the Senate;  
24 and

1 (B) designate a Chair from among the  
2 members.

3 (6) TERMS.—

4 (A) LENGTH.—Each Board member shall  
5 be appointed for a term of 5 years.

6 (B) AMOUNT.—Each Board member shall  
7 not serve more than 2 terms.

8 (7) VACANCY.—A vacancy on the Board shall  
9 be filled in the manner in which the original appoint-  
10 ment was made.

11 (8) BASIC PAY.—To the extent or in the  
12 amounts provided in advance in appropriation Acts,  
13 members shall each be paid at a rate not to exceed  
14 the rate of basic pay for level II of the Executive  
15 Schedule.

16 (d) LOCAL BOARDS.—

17 (1) APPLICATIONS.—

18 (A) IN GENERAL.—In establishing local  
19 boards pursuant to subsection (c)(1)(A), the  
20 Board shall consider applications on a competi-  
21 tive basis from State and local governments,  
22 which shall include the following:

23 (i) The location of the local board,  
24 which must be in a covered region that—

1 (I) possesses relevant assets for  
2 the development of technology; and

3 (II) does not possess a leading  
4 technology center.

5 (ii) A comprehensive strategy de-  
6 scribed under paragraph (2).

7 (iii) A recommendation of individuals  
8 to be appointed to the local board.

9 (B) DURATION PERIOD.—Each grant  
10 under this section shall be made for a period of  
11 10 years, provided that the local board that re-  
12 ceives such grant meets the requirements devel-  
13 oped pursuant to subparagraph (C).

14 (C) REQUIREMENTS.—The Board shall de-  
15 velop requirements for each local board based  
16 on the comprehensive strategy of each such  
17 local board.

18 (2) COMPREHENSIVE STRATEGY.—Each local  
19 board shall submit to the Board a comprehensive  
20 strategy that includes the following:

21 (A) A technology development plan, includ-  
22 ing the focus of the local board and existing ad-  
23 vantages for the development of a hub in the  
24 covered region of the local board.

1 (B) A spending plan, including an outline  
2 of the use of funds based on the duties of the  
3 local board under paragraph (3).

4 (C) A plan to address infrastructure bar-  
5 riers to the development of a hub, including—

6 (i) the development of data infrastruc-  
7 ture;

8 (ii) remediation of environmentally  
9 damaged sites;

10 (iii) the development of buildings,  
11 labs, roads, and bridges; and

12 (iv) improvements to airports, train  
13 stations, and other forms of public transit.

14 (D) A higher education improvement plan,  
15 including—

16 (i) hiring faculty;

17 (ii) supporting students; and

18 (iii) partnering with institutions of  
19 higher education.

20 (E) A primary and secondary education  
21 improvement plan, including—

22 (i) an outline with respect to edu-  
23 cating students in science, technology, en-  
24 gineering, and mathematics through the  
25 use of Federal resources; and



1                   (ii) an evidence-based program to  
2                   overcome existing barriers to student  
3                   achievement in the covered region.

4                   (F) A career placement plan based on the  
5                   duties of the local board under paragraph (3).

6                   (G) A plan to improve access to capital for  
7                   local businesses.

8                   (H) A sustainable growth plan that—

9                         (i) ensures housing remains affordable  
10                        in the covered region; and

11                       (ii) addresses environmentally dam-  
12                        aged areas in the covered region.

13                   (3) DUTIES OF THE LOCAL BOARD.—Each local  
14                   board shall—

15                       (A) establish a hub and oversee the activi-  
16                        ties of such hub;

17                       (B) make grants available for programs  
18                        and research in the qualified subjects in covered  
19                        regions, which may include grants to—

20                         (i) promote the development of stu-  
21                        dent skills at all levels, including—

22                                 (I) primary and secondary school  
23                                 improvements that support education  
24                                 in technology and the qualified sub-  
25                                 jects;

1 (II) fellowships for under-  
2 graduate students to support edu-  
3 cation in technology and the qualified  
4 subjects; and

5 (III) post-graduate fellowship  
6 programs to support such graduate  
7 students working in technology and  
8 the qualified subjects;

9 (ii) improve the ability of local institu-  
10 tions of higher education to carry out lead-  
11 ing-edge research in technology and the  
12 qualified subjects, including—

13 (I) hiring faculty in the relevant  
14 areas;

15 (II) laboratory construction and  
16 development;

17 (III) developing and sponsoring  
18 programs to promote technological en-  
19 trepreneurship among students (in  
20 partnership with leading firms in the  
21 covered region); and

22 (IV) developing partnerships with  
23 local businesses to facilitate the tran-  
24 sition of students to the technology  
25 workforce; and

1 (iii) develop effective pathways for ca-  
2 reer advancement in technology that cre-  
3 ates and reduces the costs of—

4 (I) training programs for work in  
5 technology jobs; and

6 (II) apprenticeship programs in  
7 technology jobs;

8 (C) develop effective infrastructure to pro-  
9 mote the creation of a technology center as de-  
10 scribed in the plan under paragraph (2)(C);

11 (D) improve access to capital for busi-  
12 nesses in the covered region, including—

13 (i) supporting partnerships with ven-  
14 ture capitalists in regions with developed  
15 technology centers in the United States;  
16 and

17 (ii) providing matching funds for Fed-  
18 eral grants that support innovative busi-  
19 nesses;

20 (E) develop and implement a plan for im-  
21 proving education in the qualified subjects;

22 (F) develop and implement a plan for in-  
23 creasing employment opportunities in the cov-  
24 ered region in which the local board is located,  
25 including—

1 (i) coordinating with the heads of  
2 businesses and institutions of higher edu-  
3 cation to support job placement in the cov-  
4 ered region; and

5 (ii) analyzing employment indicators  
6 with respect to high-wage job opportunities  
7 in the covered region of the local board to  
8 determine—

9 (I) areas that need development  
10 in such industries; and

11 (II) ways such industries would  
12 benefit from the advancement of tech-  
13 nology;

14 (G) analyze infrastructure in covered re-  
15 gions and provide policy recommendations to  
16 the Board with respect to inadequate infra-  
17 structure, including data infrastructure;

18 (H) analyze the cost of housing, zoning  
19 regulations, and laws related to housing in the  
20 covered region of the local board and provide  
21 policy recommendations to State and local gov-  
22 ernments to ensure the cost of housing remains  
23 affordable as the hub established pursuant to  
24 subparagraph (A) increases research activities  
25 in such covered region; and

1 (I) provide support for the development of  
2 technology, including establishing partnerships  
3 with institutions of higher education.

4 (e) GIFTS, BEQUESTS, AND DEVICES.—Notwith-  
5 standing section 3302 of title 31, United States Code, and  
6 without further appropriation, the Board may accept, use,  
7 or dispose of gifts, bequests, or devises of services or prop-  
8 erty, both real and personal, for the purpose of aiding or  
9 facilitating the work of the Institute. Gifts, bequests, or  
10 devises of money and proceeds from sales of other prop-  
11 erty received as gifts, bequests, or devices shall be depos-  
12 ited in a private endowment for disbursement upon order  
13 of the Board.

14 (f) INSPECTOR GENERAL OF THE FEDERAL INSTI-  
15 TUTE OF TECHNOLOGY.—Section 12 of the Inspector  
16 General Act of 1978 (Public Law 95–452; 5 U.S.C. App.)  
17 is amended—

18 (1) in paragraph (1), by inserting “the Board  
19 of Directors of the Federal Institute of Technology;”  
20 after “the Tennessee Valley Authority;”; and

21 (2) in paragraph (2), by inserting “the Federal  
22 Institute of Technology,” after the “Tennessee Val-  
23 ley Authority,”.

24 (g) REPORTS.—

1           (1) LOCAL BOARD REPORT.—Not later than 1  
2           year after the date of the enactment of this section,  
3           and annually thereafter, each local board shall sub-  
4           mit to the Board a report containing recommenda-  
5           tions based on the activities of each such local  
6           board, including recommendations for—

7                   (A) legislation that—

8                           (i) supports research and education in  
9                           the qualified subjects;

10                           (ii) increases employment opportuni-  
11                           ties related to the qualified subjects;

12                           (iii) addresses inadequate infrastruc-  
13                           ture in covered regions; and

14                           (iv) ensures the cost of housing is af-  
15                           fordable in covered regions;

16                   (B) funding scientific development; and

17                   (C) policy priorities with respect to sup-  
18           porting scientific development.

19           (2) BREAKTHROUGH SCIENCE REPORT.—Not  
20           later than 1 year after the date of the enactment of  
21           this section, and annually thereafter, the Board shall  
22           submit to the President and Congress a report  
23           known as the “Breakthrough Science Report” con-  
24           taining recommendations for—

1 (A) legislation based on the activities of  
2 the Institute; and

3 (B) policy priorities with respect to sup-  
4 porting scientific development, which shall take  
5 the funding priorities of the private sector into  
6 account.

7 (3) NATIONAL ACADEMY OF SCIENCES RE-  
8 PORT.—Not later than 1 year after the date of the  
9 enactment of this section, and annually thereafter,  
10 the National Academy of Sciences shall submit to  
11 Congress a report on the activities of the local  
12 boards, including an analysis of research activities  
13 for areas that did not receive grants from such local  
14 boards.

15 (4) AUTHORIZATION OF APPROPRIATIONS; USE  
16 OF AMOUNTS.—

17 (A) AUTHORIZATION OF APPROPRIA-  
18 TIONS.—To carry out this section, there is au-  
19 thorized to be appropriated to the Board—

20 (i) \$67,500,000,000 for fiscal year  
21 2022;

22 (ii) \$72,500,000,000 for fiscal year  
23 2023;

24 (iii) \$77,500,000,000 for fiscal year  
25 2024;

- 1 (iv) \$82,500,000,000 for fiscal year
- 2 2025;
- 3 (v) \$87,500,000,000 for fiscal year
- 4 2026;
- 5 (vi) \$92,500,000,000 for fiscal year
- 6 2027;
- 7 (vii) \$97,500,000,000 for fiscal year
- 8 2028;
- 9 (viii) \$102,500,000,000 for fiscal year
- 10 2029;
- 11 (ix) \$107,500,000,000 for fiscal year
- 12 2030; and
- 13 (x) \$112,500,000,000 for fiscal year
- 14 2031.

15 (B) USE OF AMOUNTS.—Of the amounts  
16 made available to the Board under subpara-  
17 graph (A) in each fiscal year to carry out this  
18 section not less than—

- 19 (i) 12.5 percent shall be used to pro-  
20 vide funds to the Department of Energy;
- 21 (ii) 12.5 percent shall be used to pro-  
22 vide funds to the National Science Foun-  
23 dation;



1 (iii) 12.5 percent shall be used to pro-  
2 vide funds to the National Institutes of  
3 Health; and

4 (iv) 20 percent shall be used to pro-  
5 vide funds to the local boards to carry out  
6 the duties under subsection (d)(3).

7 (C) DEFINITIONS.—In this section:

8 (i) CERTAIN TECHNOLOGY SEC-  
9 TORS.—The term “certain technology sec-  
10 tors” means areas in technology that relate  
11 to the qualified subjects, which may in-  
12 clude the following:

- 13 (I) Advanced manufacturing.
- 14 (II) Artificial intelligence.
- 15 (III) Biotechnology.
- 16 (IV) Blockchain technology.
- 17 (V) Climate science.
- 18 (VI) Computer science.
- 19 (VII) Cybersecurity.
- 20 (VIII) Material science.
- 21 (IX) Medical technology.
- 22 (X) Synthetic Biology.
- 23 (XI) Telecommunications.
- 24 (XII) Transportation technology.

1 (XIII) Virtual reality and aug-  
2 mented reality.

3 (ii) COVERED REGION.—The term  
4 “covered region” means a physical bound-  
5 ary identified by a local board and located  
6 near an institution of higher education.

7 (iii) HUB.—The term “hub” means a  
8 center for research in the qualified sub-  
9 jects.

10 (iv) QUALIFIED SUBJECTS.—The term  
11 “qualified subjects” means mathematics  
12 and the physical, biological, engineering,  
13 social, and chemical sciences.

14 **SEC. 4. PREFERENCE FOR SOFTWARE PRODUCED IN**  
15 **RURAL AREAS AND MINORITY MAJORITY**  
16 **AREAS.**

17 (a) IN GENERAL.—Chapter 33 of title 41, United  
18 States Code, is amended by adding at the end the fol-  
19 lowing:

20 **“§ 3313. Preference for software produced in rural**  
21 **areas and minority majority areas**

22 “In awarding a contract for the procurement of soft-  
23 ware, an agency shall provide a contracting preference to  
24 an offeror who demonstrates in the bid or proposal of that  
25 offeror that at least 10 percent of the production or devel-

1 opment of the software offered in that bid or proposal oc-  
2 curred in or will occur in—

3 “(1) a rural area, as that term is defined under  
4 section 343(a)(13) of the Consolidated Farm and  
5 Rural Development Act (7 U.S.C. 1991(a)(13)); or

6 “(2) a zip code in which over 50 percent of the  
7 residents of such zip code are minorities, as that  
8 term is defined under section 365 of the Higher  
9 Education of 1965 (20 U.S.C. 1067k).”.

10 (b) TECHNICAL AMENDMENT.—The table of sections  
11 at the beginning of chapter 33 of title 41, United States  
12 Code, is amended by inserting after the matter relating  
13 to section 3312 the following:

“3313. Preference for software produced in rural areas and minority majority  
areas.”.

14 **SEC. 5. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION**  
15 **RULES REQUIRED FOR EMPLOYERS TO RE-**  
16 **PORT INFORMATION REGARDING EMPLOY-**  
17 **EES.**

18 The Equal Employment Opportunity Commission  
19 shall—

20 (1) initiate a rulemaking proceeding, including  
21 notice and opportunity for public comment, not later  
22 than 90 days after the date of the enactment of this  
23 section, and

1           (2) issue rules not later than 18 months after  
2           the date of the enactment of this section,  
3           to require employers to specify in the periodic employer  
4           information reports submitted to the Commission by each  
5           such employer the number of individuals employed by the  
6           employer, the number of individuals performing services  
7           billed hourly by head count or by team for the employer,  
8           the countries in which such respective individuals reside,  
9           and all of the revenue generated by the employer in each  
10          such country.

11       **SEC. 6. AMENDMENT TO THE ELEMENTARY AND SEC-**  
12                               **ONDARY EDUCATION ACT.**

13           (a) **IN GENERAL.**—Section 1111(b)(1)(C) of the Ele-  
14           mentary and Secondary Education Act of 1965 (20 U.S.C.  
15           6311(b)(1)(C)) is amended by striking “and science” and  
16           inserting “science, and computer science”.

17           (b) **EFFECTIVE DATE.**—Not later than 5 years after  
18           the date of the enactment of this section, the amendment  
19           made by subsection (a) shall take effect.

20           (c) **REPORT REQUIRED.**—Not later than 3 years  
21           after the date of the enactment of this section, each State  
22           educational agency shall submit to the Secretary a report  
23           on preparations made by local educational agencies within  
24           the State to implement academic standards for computer  
25           science as required under section 1111(b)(1)(C) of the El-

1 elementary and Secondary Education Act of 1965 (20  
2 U.S.C. 6311(b)(1)(C)), as amended by subsection (a).

3 **SEC. 7. COMPUTER SCIENCE EDUCATION GRANTS.**

4 (a) IN GENERAL.—Not later than 1 year after the  
5 date of the enactment of this section, the Secretary of  
6 Education (referred to in this section as the “Secretary”)  
7 shall carry out a program known as the “Computer  
8 Science Education Grant Program” (referred to in this  
9 section as the “Program”) to make grants on a competi-  
10 tive basis to eligible entities to pay the Federal share of  
11 the costs of training teachers and developing computer  
12 science curriculum (which includes data analytics) in ac-  
13 cordance with subsection (c).

14 (b) APPLICATIONS.—To be eligible to receive a grant  
15 under the Program, an eligible entity shall submit to the  
16 Secretary an application at such time, in such manner,  
17 and containing such information as the Secretary may re-  
18 quire.

19 (c) REQUIREMENT FOR USES OF GRANT FUNDS.—  
20 An eligible entity that receives a grant under the Program  
21 shall use grant funds to—

22 (1) create opportunities for licensed elementary  
23 school teachers to pursue and receive training in  
24 computer science for the purpose of incorporating

1 computer science in the curriculum and educational  
2 material of such teacher;

3 (2) create opportunities for licensed secondary  
4 school teachers to add computer science endorse-  
5 ments to the license of each such teacher and to pro-  
6 vide computer science learning experiences that are  
7 age-appropriate;

8 (3) provide assistance to States that do not  
9 have computer science standards for teachers or stu-  
10 dents to develop such standards and provide licenses  
11 and endorsements with respect to such standards;

12 (4) create opportunities for teacher candidates  
13 interested in computer science to complete a full-  
14 year residency program specialized in computer  
15 science;

16 (5) expand access for teachers and students to  
17 high-quality learning materials, including computer  
18 equipment and high speed network infrastructure  
19 that supports the study of computer science;

20 (6) expand computer science education pro-  
21 grams—

22 (A) at public institutions of higher edu-  
23 cation; and

24 (B) for the education of teachers;

1           (7) create and implement plans for expanding  
2           access to rigorous classes in science, technology, en-  
3           gineering, and math for underrepresented groups,  
4           including minorities, girls, and youth from low-in-  
5           come families; and

6           (8) ensure support and resources for students,  
7           which may include mentoring for students tradition-  
8           ally underrepresented in fields related to science,  
9           technology, engineering, and math.

10          (d) PRIORITY.—In awarding grants under this sec-  
11          tion, the Secretary shall give priority to applicants that  
12          demonstrate greater need as determined by the Secretary.

13          (e) EVALUATION AND REPORT.—An eligible entity  
14          that receives a grant under the Program shall—

15                (1) conduct an evaluation on the effects of the  
16                Program, including any increase in the ability of  
17                teachers to teach computer science; and

18                (2) submit to the Secretary a report on such  
19                evaluation.

20          (f) LIMITATION ON USE OF GRANT FUNDS.—An eli-  
21          gible entity that receives a grant under the Program may  
22          not use more than 20 percent of the grant funds to pur-  
23          chase computer equipment and network infrastructure.

24          (g) GRANT DURATION AND AMOUNT.—

1           (1) DURATION.—Each grant under this section  
2 shall be made for a period of 5 years.

3           (2) AMOUNT.—The Secretary shall determine  
4 the maximum amount of each grant under this sec-  
5 tion.

6           (h) FEDERAL SHARE.—The Federal share of a grant  
7 under the Program shall not exceed 90 percent of the costs  
8 of carrying out the activities described in subsection (c).

9           (i) SUPPLEMENT, NOT SUPPLANT.—An eligible enti-  
10 ty shall use a grant received under the Program only to  
11 supplement funds that would, in the absence of such  
12 grant, be made available from other Federal, State, or  
13 local sources for activities supported by the grant, not to  
14 supplant such funds.

15          (j) ELIGIBLE ENTITY DEFINED.—The term “eligible  
16 entity” means—

17           (1) a State educational agency;

18           (2) an institution of higher education; and

19           (3) a local educational agency.

20          (k) AUTHORIZATION OF APPROPRIATIONS.—There is  
21 authorized to be appropriated to carry out this section  
22 \$8,000,000,000 for fiscal year 2021.

23 **SEC. 8. SMART STUDENTS EVERYWHERE GRANTS.**

24          (a) ELIGIBLE PARTICIPANTS.—



1           (1) IN GENERAL.—Section 401A of the Higher  
2 Education Act of 1965 (20 U.S.C. 1070a–1) is  
3 amended—

4           (A) in subsection (a), by inserting “or  
5 graduate” before “education”;

6           (B) in subsection (b)—

7           (i) in paragraph (1), by striking  
8 “and” at the end;

9           (ii) in paragraph (2), by striking the  
10 period at the end and inserting “; and”;  
11 and

12           (iii) by adding at the end the fol-  
13 lowing:

14           “(3) for the first through fourth year in a grad-  
15 uate program in science, technology, engineering, or  
16 mathematics shall be known as a ‘SMART Students  
17 Everywhere Grant.’”;

18           (C) by amending subsection (c) to read as  
19 follows:

20           “(c) DEFINITION OF ELIGIBLE STUDENT.—In this  
21 section, the term ‘eligible student’ means a student who—

22           “(1) either—

23           “(A) received a high school diploma from  
24 a high school located in a county that has a col-

1           lege graduation rate that is below the national  
2           average; or

3                   “(B) is a minority student; and

4                   “(2) for the award year for which the deter-  
5           mination of eligibility is made for a grant under this  
6           section—

7                   “(A) except with respect to a student de-  
8           scribed in clause (C)(vi), is eligible for a Fed-  
9           eral Pell Grant;

10                   “(B) is enrolled or accepted for enrollment  
11           in an institution of higher education on not less  
12           than a half-time basis; and

13                   “(C) in the case of a student enrolled or  
14           accepted for enrollment in—

15                   “(i) the first year of a program of un-  
16           dergraduate education at an institution of  
17           higher education (including a program of  
18           not less than one year for which the insti-  
19           tution awards a certificate)—

20                   “(I) has not been previously en-  
21           rolled in a program of undergraduate  
22           education, except as part of a sec-  
23           ondary school program of study; and

24                   “(II) is certified by the institu-  
25           tion of higher education as pursuing a

1 major in the physical, life, or com-  
2 puter sciences, mathematics, tech-  
3 nology, or engineering (as determined  
4 by the Secretary pursuant to regula-  
5 tions); or

6 “(ii) the second year of a program of  
7 undergraduate education at a two- or four-  
8 year degree-granting institution of higher  
9 education (including a program of not less  
10 than two years for which the institution  
11 awards a certificate), is certified by the in-  
12 stitution of higher education as pursuing a  
13 major in a subject described in clause  
14 (i)(II);

15 “(iii) the third or fourth year of a  
16 program of undergraduate education at a  
17 four-year degree-granting institution of  
18 higher education, is certified by the institu-  
19 tion of higher education to be pursuing a  
20 major in a subject described in clause  
21 (i)(II);

22 “(iv) the third or fourth year of a pro-  
23 gram of undergraduate education at an in-  
24 stitution of higher education (as defined in  
25 section 101(a)), if such institution of high-

1 er education demonstrates, to the satisfac-  
2 tion of the Secretary, that—

3 “(I) such institution of higher  
4 education offers a single liberal arts  
5 curriculum leading to a baccalaureate  
6 degree, under which students are not  
7 permitted by the institution to declare  
8 a major in a particular subject area,  
9 and the student—

10 “(aa) studies, in such years,  
11 a subject described in clause  
12 (i)(II) that is at least equal to  
13 the requirements for an academic  
14 major at an institution of higher  
15 education that offers a bacca-  
16 laureate degree in such subject,  
17 as certified by an appropriate of-  
18 ficial from such institution; or

19 “(bb) is required, as part of  
20 the student’s degree program, to  
21 undertake a course of study in a  
22 subject described in clause (i)(II)  
23 which consists of at least—

24 “(AA) 4 years of study  
25 in mathematics; and

1                                   “(BB) 3 years of study  
2                                   in the sciences, with a lab-  
3                                   oratory component in each  
4                                   of those years; and

5                                   “(II) such institution offered  
6                                   such curriculum prior to February 8,  
7                                   2006;

8                                   “(v) the fifth year of a program of un-  
9                                   dergraduate education that requires 5 full  
10                                  years of coursework, as certified by the ap-  
11                                  propriate official of the degree-granting in-  
12                                  stitution of higher education, for which a  
13                                  baccalaureate degree is awarded by a de-  
14                                  gree-granting institution of higher edu-  
15                                  cation, is certified by such institution of  
16                                  higher education to be pursuing a major in  
17                                  a subject described in clause (i)(II); or

18                                  “(vi) the first through fourth year of  
19                                  a graduate program at an institution of  
20                                  higher education, is certified by such insti-  
21                                  tution of higher education to be pursuing  
22                                  a graduate degree (including a program of  
23                                  not less than two years for which the insti-  
24                                  tution awards a certificate) in a subject de-  
25                                  scribed in clause (i)(II).”;

1 (D) in subsection (d)—

2 (i) in paragraph (1)—

3 (I) by amending subparagraph

4 (A) to read as follows:

5 “(A) IN GENERAL.—The Secretary shall  
6 award a grant under this section in the amount  
7 of—

8 “(i) \$10,000 for an eligible student  
9 under clause (i) through (v) of subsection  
10 (c)(2)(C); and

11 “(ii) \$20,000 for an eligible student  
12 under clause (vi) of subsection (c)(2)(C).”;

13 (II) in subparagraph (B)(i), by  
14 striking “a student” and inserting  
15 “an undergraduate student” ; and

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

18 “(C) REDUCTION FOR LESS THAN FULL-  
19 TIME GRADUATE STUDENTS.—Notwithstanding  
20 subparagraph (A), in any case in which a grad-  
21 uate that attends an institution of higher edu-  
22 cation on less than a full-time basis, the  
23 amount of the grant that such a student may  
24 receive shall be reduced in proportion to the de-

1           gree to which such student is not so attending  
2           on a full-time basis.”.

3                   (ii) in paragraph (2)—

4                           (I) in subparagraph (A), by in-  
5                           serting “or graduate” after “under-  
6                           graduate”; and

7                           (II) in subparagraph (B), by  
8                           striking “subsection (c)(3)” and in-  
9                           serting “subsection (c)(2)(C)”; and

10                   (iii) in paragraph (3), by inserting “to  
11                   an undergraduate student” before “in the  
12                   same manner”; and

13                   (E) by striking subsections (e), (f), and (g)  
14                   and inserting the following:

15           “(e) REPORT TO SECRETARY.—An institution of  
16 higher education shall submit to the Secretary a report  
17 on the students who receive a grant under this section,  
18 including data disaggregated with respect to the degree  
19 being pursued by such students and (if applicable) the  
20 earnings of such students.

21           “(f) FUNDING.—

22                   “(1) AUTHORIZATION OF APPROPRIATIONS.—  
23           There is authorized to be appropriated to the Sec-  
24           retary of Education to carry out this section

1       \$5,000,000,000 for fiscal year 2020 and each fiscal  
2       year thereafter.

3           “(2) AVAILABILITY OF FUNDS.—The amounts  
4       made available by paragraph (1) for any fiscal year  
5       shall be available from October 1 of that fiscal year  
6       and remain available through September 30 of the  
7       succeeding fiscal year.

8           “(3) TECHNICAL ASSISTANCE.—

9           “(A) IN GENERAL.—Of the amounts ap-  
10       propriated for a fiscal year under paragraph  
11       (1), the Secretary may use 1 percent to carry  
12       out technical assistance in such fiscal year to  
13       institutions of higher education to assist such  
14       institutions of higher education in carrying out  
15       SMART Students Everywhere Grants.

16           “(B) APPLICATION.—This paragraph shall  
17       only apply to the first 3 years after the date of  
18       the enactment of this paragraph in which—

19           “(i) amounts are appropriated under  
20       paragraph (1); and

21           “(ii) SMART Students Everywhere  
22       Grants are awarded under this section.”.

23           “(2) EFFECTIVE DATE.—The amendments made  
24       by this subsection shall take effect on the date that



1 is 1 year after the date of the enactment of this sec-  
2 tion.

3 (b) TAX CREDIT FOR FIRST-YEAR WAGES OF QUALI-  
4 FIED RECIPIENTS OF A SMART GRANT.—

5 (1) IN GENERAL.—Section 51(d)(1) of the In-  
6 ternal Revenue Code of 1986 is amended by striking  
7 “or” at the end of subparagraph (I), by striking the  
8 period at the end of subparagraph (J) and inserting  
9 a comma, and by adding at the end the following  
10 new subparagraph:

11 “(K) a qualified recipient of a SMART  
12 grant.”.

13 (2) DEFINITIONS AND SPECIAL RULES.—Sec-  
14 tion 51(d) of the Internal Revenue Code of 1986 is  
15 amended by adding at the end the following new  
16 paragraph:

17 “(16) QUALIFIED RECIPIENT OF A SMART  
18 GRANT.—

19 “(A) IN GENERAL.—The term ‘qualified  
20 recipient of a SMART grant’ means any indi-  
21 vidual who is certified by the designated local  
22 agency as a recipient of a SMART Students  
23 Everywhere Grant pursuant to Section 401A of  
24 the Higher Education Act of 1965 (20 U.S.C.

1           1070a-1) during the 1-year period ending on  
2           the hiring date.

3           “(B) SPECIAL RULES FOR DETERMINING  
4           AMOUNT OF CREDIT.—For purposes of applying  
5           this subpart to any qualified recipient of a  
6           SMART grant—

7                   “(i) subsection (a) shall be applied by  
8                   substituting ‘5 percent (10 percent in the  
9                   case of any specified recipient of a SMART  
10                  grant)’ for ‘40 percent’, and

11                   “(ii) subsection (b)(3) shall be applied  
12                   by substituting ‘\$50,000’ for ‘\$6,000’ and  
13                   all that follows in such subsection.

14           “(C) AGGREGATE CREDIT DOLLAR LIMITA-  
15           TION PER EMPLOYER.—

16                   “(i) LIMITATION WITH RESPECT TO  
17                   QUALIFIED RECIPIENTS OF A SMART  
18                   GRANT.—The aggregate credit determined  
19                   under subsection (a) with respect to quali-  
20                   fied recipients of a SMART grant (other  
21                   than specified recipients of a SMART  
22                   grant) shall not exceed \$10,000 for any  
23                   taxable year of the taxpayer.

24                   “(ii) LIMITATION WITH RESPECT TO  
25                   SPECIFIED RECIPIENTS OF A SMART

1 GRANT.—The aggregate credit determined  
2 under subsection (a) with respect to speci-  
3 fied recipients of a SMART grant shall not  
4 exceed \$20,000 for any taxable year of the  
5 taxpayer.

6 “(D) SPECIFIED RECIPIENT OF A SMART  
7 GRANT.—For purposes of this paragraph—

8 “(i) IN GENERAL.—The term ‘speci-  
9 fied recipient of a SMART grant’ means  
10 any qualified recipient of a SMART grant  
11 who is certified by the designated local  
12 agency as a veteran (as defined in para-  
13 graph (3)(B)), a minority, or employed in  
14 a designated county.

15 “(ii) DESIGNATED COUNTY.—In this  
16 paragraph, the term ‘designated county’  
17 means a county that has a college gradua-  
18 tion rate that is below the national aver-  
19 age.

20 “(iii) MINORITY.—In this paragraph,  
21 the term ‘minority’ has the meaning given  
22 the term under section 365 of the Higher  
23 Education of 1965 (20 U.S.C. 1067k).”.

24 (3) EFFECTIVE DATE.—The amendments made  
25 by this subsection shall apply to individuals who

1       begin work for the employer after the date of the en-  
2       actment of this section.

3   **SEC. 9. DEFINITIONS.**

4       In this Act:

5           (1) ELEMENTARY AND SECONDARY EDUCATION  
6       ACT TERMS.—The terms “institution of higher edu-  
7       cation”, “local educational agency”, and “State edu-  
8       cational agency” have the meaning given the terms  
9       under section 8101 of the Elementary and Sec-  
10      ondary Education Act of 1965 (20 U.S.C. 7801).

11          (2) SECONDARY AND ELEMENTARY SCHOOL.—  
12      The terms “secondary school” and “elementary  
13      school” have the meanings given the terms under  
14      section 8101 of the Elementary and Secondary Edu-  
15      cation Act of 1965 (20 U.S.C. 7801).