

## Section 2164 of the Act

---

SEC. 2164. GRANTS FOR SHORT-TIME COMPENSATION PROGRAMS.

## (a) Grants-

(1) FOR IMPLEMENTATION OR IMPROVED ADMINISTRATION- The Secretary shall award grants to States that enact short-time compensation programs (as defined in subsection (i)(2)) for the purpose of implementation or improved administration of such programs.

(2) FOR PROMOTION AND ENROLLMENT- The Secretary shall award grants to States that are eligible and submit plans for a grant under paragraph (1) for such States to promote and enroll employers in short-time compensation programs (as so defined).

## (3) ELIGIBILITY-

(A) IN GENERAL- The Secretary shall determine eligibility criteria for the grants under paragraphs (1) and (2).

(B) CLARIFICATION- A State administering a short-time compensation program, including a program being administered by a State that is participating in the transition under the provisions of sections 301(a)(3) and 302(c), that does not meet the definition of a short-time compensation program under section 3306(v) of the Internal Revenue Code of 1986 (as added by 211(a)), and a State with an agreement under section 2163, shall not be eligible to receive a grant under this section until such time as the State law of the State provides for payments under a short-time compensation program that meets such definition and such law.

## (b) Amount of Grants-

(1) IN GENERAL- The maximum amount available for making grants to a State under paragraphs (1) and (2) shall be equal to the amount obtained by multiplying \$100,000,000 (less the amount used by the Secretary under subsection (e)) by the same ratio as would apply under subsection (a)(2)(B) of section 903 of the Social Security Act (42 U.S.C. 1103) for purposes of determining such State's share of any excess amount (as described in subsection (a)(1) of such section) that would have been subject to transfer to State accounts, as of October 1, 2010, under the provisions of subsection (a) of such section.

(2) AMOUNT AVAILABLE FOR DIFFERENT GRANTS- Of the maximum incentive payment determined under paragraph (1) with respect to a State--

(A) one-third shall be available for a grant under subsection (a)(1); and

(B) two-thirds shall be available for a grant under subsection (a)(2).

## (c) Grant Application and Disbursal-

(1) APPLICATION- Any State seeking a grant under paragraph (1) or (2) of subsection (a) shall submit an application to the Secretary at such time, in such manner, and complete with such information as the Secretary may require. In no case may the Secretary award a grant under this section with respect to an application that is submitted after December 31, 2014.

(2) NOTICE- The Secretary shall, within 30 days after receiving a complete application, notify the State agency of the State of the Secretary's findings with respect to the requirements for a grant under paragraph (1) or (2) (or both) of subsection (a).

- (3) CERTIFICATION- If the Secretary finds that the State law provisions meet the requirements for a grant under subsection (a), the Secretary shall thereupon make a certification to that effect to the Secretary of the Treasury, together with a certification as to the amount of the grant payment to be transferred to the State account in the Unemployment Trust Fund (as established in section 904(a) of the Social Security Act (42 U.S.C. 1104(a))) pursuant to that finding. The Secretary of the Treasury shall make the appropriate transfer to the State account within 7 days after receiving such certification.
- (4) REQUIREMENT- No certification of compliance with the requirements for a grant under paragraph (1) or (2) of subsection (a) may be made with respect to any State whose--
- (A) State law is not otherwise eligible for certification under section 303 of the Social Security Act (42 U.S.C. 503) or approvable under section 3304 of the Internal Revenue Code of 1986; or
  - (B) short-time compensation program is subject to discontinuation or is not scheduled to take effect within 12 months of the certification.
- (d) Use of Funds- The amount of any grant awarded under this section shall be used for the implementation of short-time compensation programs and the overall administration of such programs and the promotion and enrollment efforts associated with such programs, such as through--
- (1) the creation or support of Rapid Response teams to advise employers about alternatives to layoffs;
  - (2) the provision of education or assistance to employers to enable them to assess the feasibility of participating in short-time compensation programs; and
  - (3) the development or enhancement of systems to automate--
    - (A) the submission and approval of plans; and
    - (B) the filing and approval of new and ongoing short-time compensation claims.
- (e) Administration- The Secretary is authorized to use 0.25 percent of the funds available under subsection (g) to provide for outreach and to share best practices with respect to this section and short-time compensation programs.
- (f) Recoupment- The Secretary shall establish a process under which the Secretary shall recoup the amount of any grant awarded under paragraph (1) or (2) of subsection (a) if the Secretary determines that, during the 5-year period beginning on the first date that any such grant is awarded to the State, the State--
- (1) terminated the State's short-time compensation program; or
  - (2) failed to meet appropriate requirements with respect to such program (as established by the Secretary).
- (g) Funding- There are appropriated, out of moneys in the Treasury not otherwise appropriated, to the Secretary, \$100,000,000 to carry out this section, to remain available without fiscal year limitation.
- (h) Reporting- The Secretary may establish reporting requirements for States receiving a grant under this section in order to provide oversight of grant funds.
- (i) 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, as added by section 2161(a).

(3) STATE; STATE AGENCY; STATE LAW- The terms `State', `State agency', and `State law' have the meanings given those terms in section 205 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).