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(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

To amend the Workforce Innovation and Opportunity Act to establish employer-directed skills accounts, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. STEFANIK introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Workforce Innovation and Opportunity Act to establish employer-directed skills accounts, 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 “Employer-Directed
5 Skills Act”.

6 **SEC. 2. EMPLOYER-DIRECTED SKILLS ACCOUNTS.**

7 (a) DEFINITIONS.—

4 (A) by redesignating paragraphs (19)
5 through (71) as paragraphs (20) through (72),
6 respectively; and

9 “(19) EMPLOYER-SPONSORED SKILLS DEVELOPMENT.—The term ‘employer-sponsored skills de-
10 velopment’ means a skills development program—
11

14 “(B) that is conducted pursuant to terms
15 and conditions which are established under an
16 employer-sponsored skills development agree-
17 ment described in section 134(c)(3)(I)(iv), in-
18 cluding a commitment by the employer to em-
19 ploy an individual upon successful completion of
20 the program;

“(C) for which an employer pays a portion of the cost of the program, which shall not be less than—

1 “(i) 10 percent of the cost, in the case
2 of an employer with not more than 50 em-
3 ployees;

4 “(ii) 25 percent of the cost, in the
5 case of an employer with more than 50
6 employees but not more than 100 employ-
7 ees; and

8 “(iii) 50 percent of the cost, in the
9 case of an employer with more than 100
10 employees; and

11 “(D) for which the Federal share of the
12 cost of the program is provided to the employer
13 through an employer-directed skills account in
14 accordance with section 134(c)(3)(I)(ii).”.

15 (2) ON-THE-JOB TRAINING.—Paragraph (45) of
16 section 3 of the Workforce Innovation and Oppor-
17 tunity Act (29 U.S.C. 3102) is amended, as redesi-
18 gnated by paragraph (1)(A)—

19 (A) in subparagraph (B), by striking
20 “and” at the end;

21 (B) in subparagraph (C), by striking the
22 period at the end and inserting “; and”; and

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

24 “(D) in a case in which each of the condi-
25 tions under section 134(c)(3)(I)(i) are met with

1 respect to such training (including the estab-
2 lishment of an on-the-job training agreement
3 described in section 134(c)(3)(I)(iii)), provides
4 the Federal share of the cost of training to the
5 employer through an employer-directed skills
6 account.”.

7 (3) RELATED CONFORMING AMENDMENTS.—

8 The Workforce Innovation and Opportunity Act (29
9 U.S.C. 3101 et seq.) is amended—

10 (A) in section 134(c)(3)(H)(i) (20 U.S.C.
11 3174(c)(3)(H)(i)), by striking “section 3(44)”
12 and by inserting “section 3(45)”;

13 (B) in section 211(e)(3) (20 U.S.C.
14 3291(e)(3)), by striking “section 3(45)” and in-
15 serting “section 3(46)”;

16 (C) in section 181(d)(2) (20 U.S.C.
17 3241(d)(2)), by striking “transitional employ-
18 ment,” and inserting “transitional employment,
19 employer-sponsored skills development”; and

20 (D) in section 194(4) (20 U.S.C. 3254(4)),
21 by inserting “or employer-sponsored skills de-
22 velopment” after “On-the-job training”.

23 (b) EXCEPTIONS FOR EMPLOYER-SPONSORED
24 SKILLS DEVELOPMENT.—Section 122(h) of the Work-

1 force Innovation and Opportunity Act (29 U.S.C.
2 3152(h)) is amended—

3 (1) in paragraph (1), by inserting “employer-
4 sponsored skills development,” after “incumbent
5 worker training,”; and

6 (2) in paragraph (2), by inserting “employer-
7 sponsored skills development,” after “incumbent
8 worker training.”

9 (c) CAREER SERVICES.—Section 134(c)(2)(A) of the
10 Workforce Innovation and Opportunity Act (29 U.S.C.
11 3174(c)(2)(A)) is amended—

12 (1) in clause (xii), by striking “and” at the end;
13 (2) in clause (xiii), by striking the period and
14 inserting a semicolon; and

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

16 “(xiv) provision of information on em-
17 ployers in the local areas that are offering
18 employer-sponsored skills development or
19 on-the-job training programs that may be
20 reimbursed through an employer-directed
21 skills account established under section
22 134(c)(3)(I) and the performance informa-
23 tion available on such programs; and

24 “(xv) provision of assistance, in co-
25 ordination with employers in the local

1 areas that are offering employer-sponsored
2 skills development or on-the-job training,
3 in establishing employer-sponsored skills
4 development agreements or on-the-job
5 training agreements.”.

6 (d) ELIGIBILITY FOR TRAINING SERVICES.—Section
7 134(c)(3) of the Workforce Innovation and Opportunity
8 Act (29 U.S.C. 3174(c)(3)) is amended—

9 (1) in subparagraph (A)—

10 (A) in clause (i), by inserting “or (iii)”
11 after “clause (ii);

12 (B) by redesignating clause (iii) as clause
13 (iv); and

14 (C) by inserting after clause (ii) the fol-
15 lowing:

4 (2) in subparagraph (D)—

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

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

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

15 (e) EMPLOYER-DIRECTED SKILLS ACCOUNTS.—

(A) by redesignating clauses (iv) and (v) as clauses (v) and (vi), respectively;

3 (B) by inserting after clause (iii), the fol-
4 lowing:

17 (C) in clause (v), as redesignated by sub-
18 paragraph (A), by inserting “or employer-di-
19 rected skills accounts” after “individual train-
20 ing accounts”.

17 (D) in clause (v) (as redesignated by sub-
18 paragraph (A)), by inserting “, employer-di-
19 rected skills accounts,” after “individual train-
20 ing accounts”.

21 (4) ESTABLISHMENT OF EMPLOYER-DIRECTED
22 SKILLS ACCOUNTS.—Section 134(c)(3) of the Work-
23 force Innovation and Opportunity Act (29 U.S.C.
24 3174(c)(3)) is amended by adding at the end the fol-
25 lowing:

1 “(I) EMPLOYER-DIRECTED SKILLS AC-
2 COUNTS.—

3 “(i) IN GENERAL.—An individual
4 shall receive on-the-job training or em-
5 ployer-sponsored skills development
6 through the use of an employer-directed
7 skills account, if each of the following con-
8 ditions are met:

9 “(I) An employer selects the indi-
10 vidual, who is not an employee of such
11 employer, for on-the-job training or
12 employer-sponsored skills develop-
13 ment.

14 “(II)(aa) In the case of an indi-
15 vidual selected under subclause (I) to
16 receive on-the-job training, an on-the-
17 job training agreement that meets the
18 requirements of clause (iii) is estab-
19 lished and signed by the individual
20 and the employer; or

21 “(bb) in the case of an individual
22 selected under subclause (I) to receive
23 employer-sponsored skills develop-
24 ment, an employer-sponsored skills de-
25 velopment agreement that meets the

1 requirements of clause (iv) is estab-
2 lished and signed by the individual
3 and the employer.

4 “(III) The employer submits to
5 the local board each of the following:

6 “(aa) A certification that
7 the individual requires an on-the-
8 job training or employer-spon-
9 sored skills development program
10 to obtain employment with the
11 employer, and has the skills and
12 qualifications to successfully par-
13 ticipate in such a program.

14 “(bb) A certification that
15 the employer will submit the nec-
16 essary performance information
17 to the local board in accordance
18 with section 122(h).

19 “(cc) The on-the-job train-
20 ing agreement or the employer-
21 sponsored skills development
22 agreement described in subclause
23 (II), as applicable.

24 “(IV) The local board involved
25 reviews and approves each certifi-

1 cation and agreement received under
2 subclause (III), by considering the fol-
3 lowing:

4 “(ii) APPROVAL OF AGREEMENTS.—In
5 determining whether to approve an em-
6 employer-sponsored skills development agree-
7 ment or an on-the-job training agreement
8 under clause (i)(IV), the local board in-
9 volved shall consider the following:

10 “(I) The characteristics of the
11 participants of the on-the-job training
12 or employer-sponsored skills develop-
13 ment that is the subject of the agree-
14 ment.

15 “(II) The size of the employer
16 submitting such agreement, with a
17 priority on supporting agreements
18 submitted by small businesses.

19 “(III) The alignment of the
20 agreement with the workforce invest-
21 ment needs identified in the local plan
22 of the local area under section 108.

23 “(IV) In the case of an employer-
24 sponsored skills development agree-

6 “(bb) leads to a recognized
7 postsecondary credential.

14 “(I) establish—

1 “(II) include an assurance that
2 the employer will provide the local
3 board involved with documentation of
4 the wages earned by the individual
5 while engaged in such on-the-job
6 training for the purpose of reimbursement
7 to the employer.

8 “(v) EMPLOYER-SPONSORED SKILLS
9 DEVELOPMENT AGREEMENT.—An em-
10 ployer-sponsored skills development agree-
11 ment referred to in clause (i) shall estab-
12 lish—

13 “(I) the provider of the employer-
14 sponsored skills development program;

15 “(II) the length of such program;

16 “(III) the skills to be learned
17 during such program;

18 “(IV) a commitment by the em-
19 ployer to employ the individual upon
20 successful completion of the program;

21 “(V) the cost of the program;

22 “(VI) the amount of such cost
23 that will be paid by the employer (the
24 non-Federal share), which shall be not

1 less than the amount specified in sec-
2 tion 3(19)(C); and
3 “(VII) any recognized postsec-
4 ondary credentials that will be award-
5 ed to successful participants.”.