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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.—

1           (1) EMPLOYER-SPONSORED SKILLS DEVELOP-  
2           MENT.—Section 3 of the Workforce Innovation and  
3           Opportunity Act (29 U.S.C. 3102) is amended—

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

7                   (B) by inserting after paragraph (18), the  
8                   following:

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

12                   “(A) that is selected by an employer to  
13                   meet the specific skill demands of the employer;

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;

21                   “(C) for which an employer pays a portion  
22                   of the cost of the program, which shall not be  
23                   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 redesign-  
18 nated 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:

16 “(iii) PARTICIPANTS SELECTED FOR  
17 ON-THE-JOB TRAINING OR EMPLOYER-  
18 SPONSORED SKILLS DEVELOPMENT.—A  
19 one-stop operator or one-stop partner shall  
20 not be required to conduct an interview,  
21 evaluation, or assessment of a participant  
22 under clause (i) if such participant is se-  
23 lected by an employer under section  
24 134(c)(3)(I)(i) to receive on-the-job train-  
25 ing or employer-sponsored skills develop-

1                   ment, and the applicable conditions under  
2                   such section are met for such individual to  
3                   receive such services.”; and

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:

10                           “(xii) employer-sponsored skills devel-  
11                           opment programs conducted with a com-  
12                           mitment by an employer to employ an indi-  
13                           vidual upon successful completion of such  
14                           a program.”.

15       (e) EMPLOYER-DIRECTED SKILLS ACCOUNTS.—

16           (1) LOCAL PLAN.—Section 108(b)(19) of the  
17       Workforce Innovation and Opportunity Act (29  
18       U.S.C. 3123) is amended by inserting “or employer-  
19       directed skills accounts” after “individual training  
20       accounts”.

21           (2) CONSUMER CHOICE REQUIREMENTS.—Sec-  
22       tion 134(c)(3)(F) of the Workforce Innovation and  
23       Opportunity Act (29 U.S.C. 3174(c)(3)(F) is  
24       amended—

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

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

5 “(iv) EMPLOYER-DIRECTED SKILLS  
6 ACCOUNTS.—In a case in which an indi-  
7 vidual is selected by an employer under  
8 section 134(c)(3)(I)(i) to receive on-the-job  
9 training or employer-sponsored skills devel-  
10 opment, and the applicable conditions  
11 under such section are met for such indi-  
12 vidual to receive such services, the local  
13 board involved shall arrange for payment  
14 for such services through an employer-di-  
15 rected skills account in accordance with  
16 section 134(c)(3)(I)(ii).”; and

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”.

21 (3) ADDITIONAL EXCEPTION TO USE OF INDI-  
22 VIDUAL TRAINING ACCOUNTS.—Section 134(c)(3)(G)  
23 of the Workforce Innovation and Opportunity Act  
24 (29 U.S.C. 3174(c)(3)(G)) is amended—



1 (A) by redesignating clauses (iii) and (iv)  
2 as clauses (iv) and (v), respectively;

3 (B) in clause (i), by striking “clause (ii)”  
4 and inserting “clauses (ii) and (iii)”;

5 (C) by inserting after clause (ii), the fol-  
6 lowing:

7 “(iii) EMPLOYER-DIRECTED SKILLS  
8 ACCOUNTS.—Services authorized under  
9 this paragraph may be provided pursuant  
10 to an employer-directed skills account in  
11 lieu of an individual training account if  
12 such services are employer-sponsored skills  
13 development or on-the-job training and the  
14 applicable conditions under section  
15 134(c)(3)(I)(i) are met for an individual to  
16 receive such services.”; and

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 ployer-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-

1                   ment, if the employer-sponsored skills  
2                   development offered—

3                   “(aa) is for preparation to  
4                   work in an in-demand industry  
5                   sector or occupation; and

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

8                   “(V) Any other factors the local  
9                   board determines appropriate.

10                  “(iii) PAYMENT TO EMPLOYERS.—The  
11                  local board involved in on-the-job training  
12                  or employer-sponsored skills development  
13                  under clause (i) shall arrange for the ap-  
14                  propriate payment of such services through  
15                  an employer-directed skills account as fol-  
16                  lows:

17                  “(I) ON-THE-JOB TRAINING.—  
18                  For on-the-job training, the local  
19                  board involved shall reimburse the  
20                  employer from funds in the employer-  
21                  directed skills account in accordance  
22                  to the reimbursement requirements of  
23                  section 3(45)(B) and after receipt of  
24                  documentation of the wages earned by  
25                  the individual during such training.

1                   “(II)       EMPLOYER-SPONSORED  
2                   SKILLS    DEVELOPMENT.—For   em-  
3                   ployer-sponsored   skills   development  
4                   services, the local board involved shall  
5                   reimburse the employer from funds in  
6                   the employer-directed skills account  
7                   for the Federal share of the costs of  
8                   the program after receipt of docu-  
9                   mentation from the employer of pay-  
10                  ment of such costs.

11                 “(iv) ON-THE-JOB TRAINING AGREE-  
12                 MENT.—An on-the-job training agreement  
13                 under clause (i) shall—

14                         “(I) establish—

15                                 “(aa) the length of the on-  
16                                 the-job training;

17                                 “(bb) the hourly wage rate  
18                                 of the individual;

19                                 “(cc) the skills necessary for  
20                                 the job and the individual’s cur-  
21                                 rent skill level as of the date of  
22                                 the agreement; and

23                                 “(dd) the skills to be learned  
24                                 during the on-the-job training;  
25                                 and

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 reimburse-  
7 ment 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.”.