

117TH CONGRESS
1ST SESSION

H. R. 6255

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

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 13, 2021

Ms. STEFANIK (for herself and Ms. FOXX) introduced the following bill; which was referred to the Committee on Education and Labor

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.—

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

1 (A) by redesignating paragraphs (19)
2 through (71) as paragraphs (20) through (72),
3 respectively; and

4 (B) by inserting after paragraph (18), the
5 following:

6 “(19) EMPLOYER-SPONSORED SKILLS DEVEL-
7 OPMENT.—The term “employer-sponsored skills de-
8 velopment” means a skills development program—

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

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

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

21 “(i) 10 percent of the cost, in the case
22 of an employer with not more than 50 em-
23 ployees;

24 “(ii) 25 percent of the cost, in the
25 case of an employer with more than 50

1 employees but not more than 100 employ-
2 ees; and

3 “(iii) 50 percent of the cost, in the
4 case of an employer with more than 100
5 employees; and

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

10 (2) ON-THE-JOB TRAINING.—Paragraph (45) of
11 section 3 of the Workforce Innovation and Oppor-
12 tunity Act (29 U.S.C. 3102) is amended, as redesign-
13 nated by paragraph (1)(A)—

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

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

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

19 “(D) in a case in which each of the condi-
20 tions under section 134(c)(3)(I)(i) are met with
21 respect to such training (including the estab-
22 lishment of an on-the-job training agreement
23 described in section 134(c)(3)(I)(iii)), provides
24 the Federal share of the cost of training to the

1 employer through an employer-directed skills
2 account.”.

3 (3) RELATED CONFORMING AMENDMENTS.—

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

6 (A) in section 134(c)(3)(H)(i) (20 U.S.C.
7 3174(c)(3)(H)(i)), by striking “section 3(44)”
8 and by inserting “section 3(45)”; and

9 (B) in section 211(e)(3) (20 U.S.C.
10 3291(e)(3)), by striking “section 3(45)” and in-
11 serting “section 3(46)”.

12 (b) EXCEPTIONS FOR EMPLOYER-SPONSORED
13 SKILLS DEVELOPMENT.—Section 122(h) of the Work-
14 force Innovation and Opportunity Act (29 U.S.C.
15 3152(h)) is amended—

16 (1) in paragraph (1), by inserting “employer-
17 sponsored skills development,” after “incumbent
18 worker training,”; and

19 (2) in paragraph (2), by inserting “employer-
20 sponsored skills development,” after “incumbent
21 worker training,”.

22 (c) CAREER SERVICES.—Section 134(c)(2)(A) of the
23 Workforce Innovation and Opportunity Act (29 U.S.C.
24 3174(c)(2)(A)) is amended—

25 (1) in clause (xii), by striking “and” at the end;

1 (2) in clause (xiii), by striking the period and
2 inserting a semicolon; and

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

4 “(xiv) provision of information on em-
5 ployers in the local areas that are offering
6 employer-sponsored skills development or
7 on-the-job training programs that may be
8 reimbursed through an employer-directed
9 skills account established under section
10 134(c)(3)(I) and the performance informa-
11 tion available on such programs; and

12 “(xv) provision of assistance, in co-
13 ordination with employers in the local
14 areas that are offering employer-sponsored
15 skills development or on-the-job training,
16 in establishing employer-sponsored skills
17 development agreements or on-the-job
18 training agreements.”.

19 (d) ELIGIBILITY FOR TRAINING SERVICES.—Section
20 134(c)(3) of the Workforce Innovation and Opportunity
21 Act (29 U.S.C. 3174(c)(3)) is amended—

22 (1) in subparagraph (A)—

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

1 (B) by redesignating clause (iii) as clause
2 (iv); and

3 (C) by inserting after clause (ii) the fol-
4 lowing:

5 “(iii) PARTICIPANTS SELECTED FOR
6 ON-THE-JOB TRAINING OR EMPLOYER-
7 SPONSORED SKILLS DEVELOPMENT.—A
8 one-stop operator or one-stop partner shall
9 not be required to conduct an interview,
10 evaluation, or assessment of a participant
11 under clause (i) if such participant is se-
12 lected by an employer under section
13 134(c)(3)(I)(i) to receive on-the-job train-
14 ing or employer-sponsored skills develop-
15 ment, and the applicable conditions under
16 such section are met for such individual to
17 receive such services.”; and

18 (2) in subparagraph (D)—

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

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

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

24 “(xii) employer-sponsored skills devel-
25 opment programs conducted with a com-

1 mitment by an employer to employ an indi-
 2 vidual upon successful completion of such
 3 a program.”.

4 (e) EMPLOYER-DIRECTED SKILLS ACCOUNTS.—

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

10 (2) CONSUMER CHOICE REQUIREMENTS.—Sec-
 11 tion 134(c)(3)(F) of the Workforce Innovation and
 12 Opportunity Act (29 U.S.C. 3174(c)(3)(F) is
 13 amended—

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

16 (B) by inserting after clause (iii), the fol-
 17 lowing:

18 “(iv) EMPLOYER-DIRECTED SKILLS
 19 ACCOUNTS.—In a case in which an indi-
 20 vidual is selected by an employer under
 21 section 134(c)(3)(I)(i) to receive on-the-job
 22 training or employer-sponsored skills devel-
 23 opment, and the applicable conditions
 24 under such section are met for such indi-
 25 vidual to receive such services, the one-stop

operator involved shall arrange for payment for such services through an employer-directed skills account in accordance with section 134(c)(3)(I)(ii).”; and

(C) in clause (v), as redesignated by subparagraph (A), by inserting “or employer-directed skills accounts” after “individual training accounts”.

(3) ADDITIONAL EXCEPTION TO USE OF INDIVIDUAL TRAINING ACCOUNTS.—Section 134(c)(3)(G) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3174(c)(3)(G)) is amended—

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

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

(C) by inserting after clause (ii), the following:

“(iii) EMPLOYER-DIRECTED SKILLS ACCOUNTS.—Services authorized under this paragraph may be provided pursuant to an employer-directed skills account in lieu of an individual training account if such services are employer-sponsored skills development or on-the-job training and the

1 applicable conditions under section
 2 134(c)(3)(I)(i) are met for an individual to
 3 receive such services.”; and

4 (D) in clause (v) (as redesignated by sub-
 5 paragraph (A)), by inserting “, employer-di-
 6 rected skills accounts,” after “individual train-
 7 ing accounts”.

8 (4) ESTABLISHMENT OF EMPLOYER-DIRECTED
 9 SKILLS ACCOUNTS.—Section 134(c)(3) of the Work-
 10 force Innovation and Opportunity Act (29 U.S.C.
 11 3174(c)(3)) is amended by adding at the end the fol-
 12 lowing:

13 “(I) EMPLOYER-DIRECTED SKILLS AC-
 14 COUNTS.—

15 “(i) IN GENERAL.—An individual
 16 shall receive on-the-job training or em-
 17 ployer-sponsored skills development
 18 through the use of an employer-directed
 19 skills account, if each of the following con-
 20 ditions are met:

21 “(I) An employer selects the indi-
 22 vidual, who is not an employee of such
 23 employer, for on-the-job training or
 24 employer-sponsored skills develop-
 25 ment.

1 “(II)(aa) In the case of an indi-
2 vidual selected under subclause (I) to
3 receive on-the-job training, an on-the-
4 job training agreement that meets the
5 requirements of clause (iii) is estab-
6 lished and signed by the individual
7 and the employer; or

8 “(bb) in the case of an individual
9 selected under subclause (I) to receive
10 employer-sponsored skills develop-
11 ment, an employer-sponsored skills de-
12 velopment agreement that meets the
13 requirements of clause (iv) is estab-
14 lished and signed by the individual
15 and the employer.

16 “(III) The employer submits to
17 the local one-stop operator each of the
18 following:

19 “(aa) A certification that
20 the individual requires an on-the-
21 job training or employer-spon-
22 sored skills development program
23 to obtain employment with the
24 employer, and has the skills and

1 qualifications to successfully par-
2 ticipate in such a program.

3 “(bb) A certification that
4 the employer will submit the nec-
5 essary performance information
6 to the one-stop operator in ac-
7 cordance with section 122(h).

8 “(cc) The on-the-job train-
9 ing agreement or the employer-
10 sponsored skills development
11 agreement described in subclause
12 (II), as applicable.

13 “(IV) The one-stop operator in-
14 volved reviews and approves each cer-
15 tification and agreement received
16 under subclause (III).

17 “(ii) PAYMENT TO EMPLOYERS.—The
18 one-stop operator involved in on-the-job
19 training or employer-sponsored skills devel-
20 opment under clause (i) shall arrange for
21 the appropriate payment of such services
22 through an employer-directed skills ac-
23 count as follows:

24 “(I) ON-THE-JOB TRAINING.—
25 For on-the-job training, the one-stop

1 operator involved shall reimburse the
2 employer from funds in the employer-
3 directed skills account in accordance
4 to the reimbursement requirements of
5 section 3(45)(B) and after receipt of
6 documentation of the wages earned by
7 the individual during such training.

8 “(II) EMPLOYER-SPONSORED
9 SKILLS DEVELOPMENT.—For em-
10 ployer-sponsored skills development
11 services, the one-stop operator in-
12 volved shall reimburse the employer
13 from funds in the employer-directed
14 skills account for the Federal share of
15 the costs of the program after receipt
16 of documentation from the employer
17 of payment of such costs.

18 “(iii) ON-THE-JOB TRAINING AGREE-
19 MENT.—An on-the-job training agreement
20 under clause (i) shall—

21 “(I) establish—

22 “(aa) the length of the on-
23 the-job training;

24 “(bb) the hourly wage rate
25 of the individual;

1 “(cc) the skills necessary for
2 the job and the individual’s cur-
3 rent skill level as of the date of
4 the agreement; and

5 “(dd) the skills to be learned
6 during the on-the-job training;
7 and

8 “(II) include an assurance that
9 the employer will provide the one-stop
10 operator involved with documentation
11 of the wages earned by the individual
12 while engaged in such on-the-job
13 training for the purpose of reimburse-
14 ment to the employer.

15 “(iv) EMPLOYER-SPONSORED SKILLS
16 DEVELOPMENT AGREEMENT.—An em-
17 ployer-sponsored skills development agree-
18 ment referred to in clause (i) shall estab-
19 lish—

20 “(I) the provider of the employer-
21 sponsored skills development program;

22 “(II) the length of such program;

23 “(III) the skills to be learned
24 during such program;

1 “(IV) a commitment by the em-
2 ployer to employ the individual upon
3 successful completion of the program;

4 “(V) the cost of the program;
5 and

6 “(VI) the amount of such cost
7 that will be paid by the employer (the
8 non-Federal share), which shall be not
9 less than the amount specified in sec-
10 tion 3(19)(C).”.

○