

118TH CONGRESS  
1ST SESSION

# H. R. 4186

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

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IN THE HOUSE OF REPRESENTATIVES

JUNE 15, 2023

Ms. STEFANIK introduced the following bill; which was referred to the Committee on Education and the Workforce

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## 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)”;

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

12 (C) in section 181(d)(2) (20 U.S.C.  
13 3241(d)(2)), by striking “transitional employ-  
14 ment,” and inserting “transitional employment,  
15 employer-sponsored skills development”; and

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

19 (b) EXCEPTIONS FOR EMPLOYER-SPONSORED  
20 SKILLS DEVELOPMENT.—Section 122(h) of the Work-  
21 force Innovation and Opportunity Act (29 U.S.C.  
22 3152(h)) is amended—

23 (1) in paragraph (1), by inserting “employer-  
24 sponsored skills development,” after “incumbent  
25 worker training,”; and

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

4           (c) CAREER SERVICES.—Section 134(c)(2)(A) of the  
5           Workforce Innovation and Opportunity Act (29 U.S.C.  
6           3174(c)(2)(A)) is amended—

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

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

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

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

19                   “(xv) provision of assistance, in co-  
20                   ordination with employers in the local  
21                   areas that are offering employer-sponsored  
22                   skills development or on-the-job training,  
23                   in establishing employer-sponsored skills  
24                   development agreements or on-the-job  
25                   training agreements.”.

1 (d) ELIGIBILITY FOR TRAINING SERVICES.—Section  
2 134(c)(3) of the Workforce Innovation and Opportunity  
3 Act (29 U.S.C. 3174(c)(3)) is amended—

4 (1) in subparagraph (A)—

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

7 (B) by redesignating clause (iii) as clause  
8 (iv); and

9 (C) by inserting after clause (ii) the fol-  
10 lowing:

11 “(iii) PARTICIPANTS SELECTED FOR  
12 ON-THE-JOB TRAINING OR EMPLOYER-  
13 SPONSORED SKILLS DEVELOPMENT.—A  
14 one-stop operator or one-stop partner shall  
15 not be required to conduct an interview,  
16 evaluation, or assessment of a participant  
17 under clause (i) if such participant is se-  
18 lected by an employer under section  
19 134(c)(3)(I)(i) to receive on-the-job train-  
20 ing or employer-sponsored skills develop-  
21 ment, and the applicable conditions under  
22 such section are met for such individual to  
23 receive such services.”; and

24 (2) in subparagraph (D)—

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

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

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

6 “(xii) employer-sponsored skills devel-  
7 opment programs conducted with a com-  
8 mitment by an employer to employ an indi-  
9 vidual upon successful completion of such  
10 a program.”.

11 (e) EMPLOYER-DIRECTED SKILLS ACCOUNTS.—

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

17 (2) CONSUMER CHOICE REQUIREMENTS.—Sec-  
18 tion 134(c)(3)(F) of the Workforce Innovation and  
19 Opportunity Act (29 U.S.C. 3174(c)(3)(F) is  
20 amended—

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

23 (B) by inserting after clause (iii), the fol-  
24 lowing:

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

13                  (C) in clause (v), as redesignated by sub-  
14                  paragraph (A), by inserting “or employer-di-  
15                  rected skills accounts” after “individual train-  
16                  ing accounts”.

17                  (3) ADDITIONAL EXCEPTION TO USE OF INDI-  
18                  VIDUAL TRAINING ACCOUNTS.—Section 134(c)(3)(G)  
19                  of the Workforce Innovation and Opportunity Act  
20                  (29 U.S.C. 3174(c)(3)(G)) is amended—

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

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



1 (C) by inserting after clause (ii), the fol-  
2 lowing:

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

13 (D) in clause (v) (as redesignated by sub-  
14 paragraph (A)), by inserting “, employer-di-  
15 rected skills accounts,” after “individual train-  
16 ing accounts”.

17 (4) ESTABLISHMENT OF EMPLOYER-DIRECTED  
18 SKILLS ACCOUNTS.—Section 134(e)(3) of the Work-  
19 force Innovation and Opportunity Act (29 U.S.C.  
20 3174(e)(3)) is amended by adding at the end the fol-  
21 lowing:

22 “(I) EMPLOYER-DIRECTED SKILLS AC-  
23 COUNTS.—

24 “(i) IN GENERAL.—An individual  
25 shall receive on-the-job training or em-

1            employer-sponsored      skills      development  
2            through the use of an employer-directed  
3            skills account, if each of the following con-  
4            ditions are met:

5                            “(I) An employer selects the indi-  
6                            vidual, who is not an employee of such  
7                            employer, for on-the-job training or  
8                            employer-sponsored      skills      develop-  
9                            ment.

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

17                           “(bb) in the case of an individual  
18                           selected under subclause (I) to receive  
19                           employer-sponsored      skills      develop-  
20                           ment, an employer-sponsored skills de-  
21                           velopment agreement that meets the  
22                           requirements of clause (iv) is estab-  
23                           lished and signed by the individual  
24                           and the employer.

1           “(III) The employer submits to  
2 the local board each of the following:

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

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

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

21           “(IV) The local board involved  
22 reviews and approves each certifi-  
23 cation and agreement received under  
24 subclause (III), by considering the fol-  
25 lowing:

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

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

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

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

20           “(IV) In the case of an employer-  
21 sponsored skills development agree-  
22 ment, if the employer-sponsored skills  
23 development offered—

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

4                   “(bb) leads to a recognized  
5                   postsecondary credential.

6                   “(V) Any other factors the local  
7                   board determines appropriate.

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

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

24                  “(II) EMPLOYER-SPONSORED  
25                  SKILLS DEVELOPMENT.—For em-

1            employer-sponsored skills development  
2            services, the local board involved shall  
3            reimburse the employer from funds in  
4            the employer-directed skills account  
5            for the Federal share of the costs of  
6            the program after receipt of docu-  
7            mentation from the employer of pay-  
8            ment of such costs.

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

12                    “(I) establish—

13                            “(aa) the length of the on-  
14                            the-job training;

15                            “(bb) the hourly wage rate  
16                            of the individual;

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

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

24                            “(II) include an assurance that  
25                            the employer will provide the local

1 board involved with documentation of  
2 the wages earned by the individual  
3 while engaged in such on-the-job  
4 training for the purpose of reimburse-  
5 ment to the employer.

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

11 “(I) the provider of the employer-  
12 sponsored skills development program;

13 “(II) the length of such program;

14 “(III) the skills to be learned  
15 during such program;

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

19 “(V) the cost of the program;

20 “(VI) the amount of such cost  
21 that will be paid by the employer (the  
22 non-Federal share), which shall be not  
23 less than the amount specified in sec-  
24 tion 3(19)(C); and

1                   “(VII) any recognized postsec-  
2                   ondary credentials that will be award-  
3                   ed to successful participants.”.

○