

118TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

To amend the Workforce Innovation and Opportunity Act regarding employer-directed skills development, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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Mr. BUDD (for himself and Mr. CASSIDY) introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend the Workforce Innovation and Opportunity Act regarding employer-directed skills development, 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 DEVELOPMENT.**

7        (a) EMPLOYER-DIRECTED SKILLS DEVELOPMENT.—

8            (1) IN GENERAL.—Section 3 of the Workforce  
9 Innovation and Opportunity Act (29 U.S.C. 3102) is  
10 amended—

1 (A) by striking paragraph (14);

2 (B) by redesignating paragraphs (15)  
3 through (18) as paragraphs (14) through (17),  
4 respectively; and

5 (C) by inserting after paragraph (17), the  
6 following:

7 “(18) EMPLOYER-DIRECTED SKILLS DEVELOP-  
8 MENT.—The term ‘employer-directed skills develop-  
9 ment’ means a program—

10 “(A) that is selected or designed to meet  
11 the specific skill demands of an employer (in-  
12 cluding a group of employers);

13 “(B) that is conducted pursuant to the  
14 terms and conditions provided under an em-  
15 ployer-directed skills contract described in sec-  
16 tion 134(c)(3)(I), including the commitment by  
17 the employer to employ an individual upon suc-  
18 cessful completion of the program; and

19 “(C) for which the employer pays a portion  
20 of the cost of the program that is—

21 “(i) determined by the local board in-  
22 volved; and

23 “(ii) not less than—



1 job training or employer-directed  
2 skills development; to

3 “(bb) the total number of  
4 program participants who re-  
5 ceived training services and who  
6 exited the program during that  
7 program year.”.

8 (2) by striking clause (iv).

9 (c) ON THE JOB TRAINING, EMPLOYER-DIRECTED  
10 SKILLS DEVELOPMENT, INCUMBENT WORKER TRAINING,  
11 AND OTHER TRAINING EXCEPTIONS.—Section 122(h) of  
12 the Workforce Innovation and Opportunity Act (29 U.S.C.  
13 3152(h)) is amended—

14 (1) in the heading, by striking “CUSTOMIZED  
15 TRAINING” and inserting “EMPLOYER-DIRECTED  
16 SKILLS DEVELOPMENT” ;

17 (2) in paragraph (1), by striking “customized  
18 training” and inserting “employer-directed skills de-  
19 velopment”; and

20 (3) in paragraph (2), by striking the first sen-  
21 tence and inserting “A one-stop operator in a local  
22 area shall collect the minimum amount of informa-  
23 tion from providers of on-the-job training, employer-  
24 directed skills development, incumbent worker train-  
25 ing, internships, paid or unpaid work experience op-

1       portunities, and transitional employment as is nec-  
2       essary to enable the use of State administrative data  
3       to generate such performance information as the  
4       Governor may require.”.

5       (d) STATEWIDE EMPLOYMENT AND TRAINING AC-  
6       TIVITIES.—Section 134(a)(2)(B)(v)(II) of the Workforce  
7       Innovation and Opportunity Act (29 U.S.C.  
8       3174(a)(2)(B)(v)(II)) is amended by striking “customized  
9       training” and inserting “employer-directed skills develop-  
10      ment”.

11      (e) ALLOWABLE STATEWIDE EMPLOYMENT AND  
12      TRAINING ACTIVITIES.—Section 134(a)(3)(A)(i) of the  
13      Workforce Innovation and Opportunity Act (29 U.S.C.  
14      3174(a)(3)(A)(i)) is amended by striking “customized  
15      training” and inserting “employer-directed skills develop-  
16      ment”.

17      (f) EMPLOYER REFERRAL.—Section 134(c)(3) of the  
18      Workforce Innovation and Opportunity Act (29 U.S.C.  
19      3174(c)(3)) is amended—

20           (1) in subparagraph (A)—

21                   (A) in clause (i), in the matter preceding  
22                   subclause (I), by striking “clause (ii)” and in-  
23                   serting “clauses (ii) and (iii)”;

24                   (B) by redesignating clause (iii) as clause  
25                   (iv); and

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

3 “(iii) EMPLOYER REFERRAL.—

4 “(I) IN GENERAL.—A one-stop  
5 operator or one-stop partner shall not  
6 be required to conduct an interview,  
7 evaluation, or assessment of an indi-  
8 vidual under clause (i)(I) if such indi-  
9 vidual—

10 “(aa) is referred by an em-  
11 ployer to receive on-the-job train-  
12 ing or employer-directed skills de-  
13 velopment in connection with  
14 that employer; and

15 “(bb) has been certified by  
16 the employer as being in need of  
17 training services to obtain unsub-  
18 sidized employment with such  
19 employer and having the skills  
20 and qualifications to successfully  
21 participate in the selected pro-  
22 gram of training services.

23 “(II) PRIORITY.—A one-stop op-  
24 erator or one-stop partner shall follow  
25 the priority described in subparagraph

1 (E) to determine whether an indi-  
2 vidual that meets the requirements of  
3 subclause (I) of this clause is eligible  
4 to receive training services.”;

5 (2) in subparagraph (D), by striking clause (xi)  
6 and inserting the following:

7 “(xi) employer-directed skills develop-  
8 ment.”.

9 (3) in subparagraph (G)(ii)(II), by striking  
10 “customized training” and inserting “employer-di-  
11 rected skills development”.

12 (4) by adding at the end the following:

13 “(I) EMPLOYER-DIRECTED SKILLS DEVEL-  
14 OPMENT.—An employer may receive a contract  
15 from a local board to provide employer-directed  
16 skills development to a participant if the em-  
17 ployer submits to the local board an application  
18 that provides—

19 “(i) the provider of the skills develop-  
20 ment program, which may be the employer;

21 “(ii) the length of the skills develop-  
22 ment program;

23 “(iii) the recognized postsecondary  
24 credential that will be awarded to, or any

1 occupational skill that will be gained by,  
2 the program participant;

3 “(iv) the cost of the skills development  
4 program;

5 “(v) the amount of such cost that will  
6 be paid by the employer (as described in  
7 section 3(19)(C)); and

8 “(vi) a commitment by the employer  
9 to employ the participating individual upon  
10 successful completion of the program.”.