

119TH CONGRESS
1ST SESSION

H. R. 4049

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

IN THE HOUSE OF REPRESENTATIVES

JUNE 17, 2025

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

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 serting “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).”; and

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(c)(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(c)(3) of the Work-
 19 force Innovation and Opportunity Act (29 U.S.C.
 20 3174(c)(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 ployer-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.”.

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