

117TH CONGRESS
2D SESSION

S. 4810

To establish a program of workforce development as an alternative to college for all, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 8, 2022

Mr. COTTON introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To establish a program of workforce development as an alternative to college for all, 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 “American Workforce
5 Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) **AMERICAN WORKFORCE CONTRACT.**—The
9 term “American workforce contract” means a con-
10 tract approved by the Director, and entered into by

1 an employer and a prospective trainee under section
2 4(b)(6).

3 (2) AMERICAN WORKFORCE PROGRAM.—The
4 term “American workforce program” means a pro-
5 gram established under section 4(a) that provides,
6 for each participating trainee, a paid, full-time posi-
7 tion in which the trainee is engaged in—

8 (A) structured on-the-job work, as speci-
9 fied by the American workforce contract in-
10 volved; and

11 (B) educational workforce training de-
12 scribed in section 4(f), as specified by the
13 American workforce contract.

14 (3) COMPETENCY-BASED CREDENTIAL.—The
15 term “competency-based credential” means a cre-
16 dential awarded on the basis of a performance-based
17 test that—

18 (A) is taken to demonstrate proficiency in
19 knowledge and abilities essential to the industry
20 or occupation; and

21 (B) does not place restrictions on how,
22 when, or where the test taker studied and ac-
23 quired the knowledge and abilities.

1 (4) DIRECTOR.—The term “Director” means
2 the Director of the American Workforce Division,
3 appointed under section 3(b).

4 (5) EMPLOYER.—The term “employer” means
5 a for-profit employer, as defined in section 3 of the
6 Fair Labor Standards Act of 1938 (29 U.S.C. 203),
7 other than a public agency, as defined in that sec-
8 tion.

9 (6) PROSPECTIVE TRAINEE.—The term “pro-
10 spective trainee” means an individual who—

11 (A) applies to an employer to enter into an
12 American workforce contract; and

13 (B) on the date of application, meets the
14 requirements of paragraph (8)(A).

15 (7) SECRETARY.—The term “Secretary” means
16 the Secretary of Commerce.

17 (8) TRAINEE.—The term “trainee” means any
18 individual who—

19 (A) on the date of application to an em-
20 ployer to enter into an American workforce con-
21 tract—

22 (i) is a United States citizen;

23 (ii) has a high school diploma or its
24 generally recognized equivalent; and

1 (iii) has not earned a bachelor's or
2 higher degree, such as a master's or doc-
3 toral degree; and

4 (B) entered into an American workforce
5 contract, which is still in effect, with the em-
6 ployer.

7 (9) WORKFORCE PROJECT.—The term “work-
8 force project” means a project carried out under an
9 American workforce contract as part of the Amer-
10 ican workforce program.

11 **SEC. 3. ESTABLISHMENT OF AMERICAN WORKFORCE DIVI-**
12 **SION.**

13 (a) ESTABLISHMENT.—There is established in the
14 Economic Development Administration of the Department
15 of Commerce an American Workforce Division that ad-
16 ministers, subject to the availability of appropriations, the
17 American workforce program established under section
18 4(a).

19 (b) DIRECTOR.—

20 (1) IN GENERAL.—The American Workforce
21 Division shall be headed and administered, in ac-
22 cordance with the provisions of this Act, by a Direc-
23 tor. The Director shall be appointed by the Presi-
24 dent, by and with the advice and consent of the Sen-
25 ate. The Director shall report directly to the Sec-

1 retary and shall perform, in addition to any func-
2 tions specified in law for or required to be delegated
3 to such officer, such additional functions as the Sec-
4 retary may prescribe.

5 (2) QUALIFICATIONS.—The Director shall have
6 significant experience in the private sector.

7 (3) AUTHORITY BEFORE CONFIRMATION.—
8 Until the initial appointment of an individual to the
9 position of Director, by and with the advice and con-
10 sent of the Senate, and, thereafter, if the individual
11 serving as the Director dies, resigns, or is otherwise
12 unable to perform the functions and duties of the of-
13 fice of the Director, the Secretary of Commerce shall
14 designate an officer or employee of the Department
15 of Commerce to perform the functions and duties of
16 the Director under this Act temporarily in an acting
17 capacity.

18 (c) RESPONSIBILITIES OF THE DIRECTOR.—The Di-
19 rector shall be responsible for each of the following:

20 (1) Reviewing, and approving or disapproving,
21 each proposed American workforce contract received
22 by the Director not later than 1 month after the
23 date of receipt of the proposed contract.

1 (2)(A) Maintaining records of American work-
2 force contracts and ensuring compliance with the
3 contracts.

4 (B) Publishing a standardized template for
5 American workforce contracts, which template shall
6 not exceed 3 pages, and shall be used by prospective
7 trainees and employers to draft a proposed Amer-
8 ican workforce contract to submit to the Director for
9 review and approval.

10 (3) In accordance with subsection (d), receiving
11 complaints, carrying out investigations, and taking
12 disciplinary and correction action.

13 (4) In accordance with subsection (e), making
14 determinations and taking disciplinary and correc-
15 tive action.

16 (5) Coordinating activities with State govern-
17 ments and local governments to—

18 (A) publicize the opportunity to receive
19 workforce education subsidies for workforce
20 projects, with employers in high-wage, high-de-
21 mand industries and occupations; and

22 (B) encourage employers to recruit stu-
23 dents from secondary schools to participate in
24 the workforce projects.

1 (6) Developing and maintaining a comprehen-
2 sive, publicly accessible, and user-friendly website to
3 allow employers from each State to simply indicate
4 their demand for workers in their industry or occu-
5 pation, post it online, and accept applications for
6 training from prospective trainees and ensures pro-
7 spective trainees can easily search and compare op-
8 tions.

9 (7) Preparing 5- and 10-year reports under sec-
10 tion 6, and submitting the reports to Congress.

11 (8)(A) Collecting, on an ongoing basis, up-to-
12 date contact information, including an email, phone
13 number, and mailing address, for each employer par-
14 ticipating in a workforce project in the American
15 workforce program.

16 (B) Annually collecting the following informa-
17 tion about the American workforce program:

18 (i) The total number of new and con-
19 tinuing trainees training in each workforce
20 project under an American workforce contract.

21 (ii) The annual completion rate for train-
22 ees, calculated by comparing the number of
23 trainees in a designated American workforce
24 program cohort who successfully completed a
25 workforce project with an employer and were

1 hired as full-time regular employees by the
2 same employer, with the number of trainees in
3 that cohort who began participating in a work-
4 force project.

5 (iii) The annual rate of trainees who suc-
6 cessfully completed a workforce project with an
7 employer but were not hired as full-time regular
8 employees by the same employer compared with
9 the number of trainees who began participating
10 in a workforce project.

11 (iv) The median length of time for work-
12 force project completion.

13 (v) A survey conducted by the Director,
14 based on a random sample and designed to gen-
15 erate statistically significant results, to estimate
16 the post-American workforce program employ-
17 ment retention rate for former trainees, cal-
18 culated 1 and 2 years after completion of a
19 workforce project, broken down by—

20 (I) former trainees who are employed by
21 the employer with whom they completed their
22 workforce project;

23 (II) former trainees employed in the same
24 industry or occupation as the industry or occu-

1 pation in which they completed that workforce
2 project, but by a different employer; and

3 (III) former trainees who are employed,
4 but in an industry or occupation that is not the
5 industry or occupation described in subclause
6 (II).

7 (vi) The credentials attained by trainees
8 through the American workforce program, bro-
9 ken down by type (such as competency-based
10 credentials, certifications, and licenses) and the
11 number of such credentials attained.

12 (vii) The annualized average earnings of
13 former trainees, calculated over a significant
14 time period after completion of a workforce
15 project.

16 (viii) Median and mean workforce edu-
17 cation subsidy provided per trainee.

18 (ix) Basic demographic information, such
19 as age, sex, and area of residence, on trainees.

20 (d) WHISTLEBLOWER COMPLAINTS.—

21 (1) COMPLAINT.—A trainee (including an em-
22 ployee participating as a trainee) in a workforce
23 project may file a complaint with the Director alleg-
24 ing that the employer involved is not complying with

1 the terms of the American workforce contract in-
2 volved.

3 (2) PRELIMINARY DETERMINATION.—The Di-
4 rector shall begin an investigation into the complaint
5 within 1 month after the date of receipt of the com-
6 plaint. Not later than 90 days after the beginning of
7 the investigation, if the Director determines that
8 there is clear and convincing evidence that the com-
9 plaint is valid, the Director shall make a preliminary
10 determination on disciplinary or corrective action.

11 (3) NOTICE AND OPPORTUNITY TO RESPOND.—
12 If the Director makes a preliminary determination
13 under paragraph (2) of noncompliance, the Director
14 shall provide the employer with reasonable notice
15 and opportunity to respond to the preliminary deter-
16 mination.

17 (4) DISCIPLINARY OR CORRECTIVE ACTION.—
18 Disciplinary or corrective action under this sub-
19 section may consist of—

20 (A) issuing to the employer a warning or
21 temporary suspension, of not more than 5
22 years, from participation in the American work-
23 force program; and

24 (B) assessing a civil penalty against the
25 employer of not more than the amount of funds

1 received by the employer through workforce
2 education subsidies during the past 2 years.

3 (5) APPEAL.—If the Director so determines
4 that the appropriate disciplinary or corrective action
5 includes a suspension, the employer shall have 90
6 days to appeal the validity or the disciplinary or cor-
7 rective action to the Director, with mandatory review
8 by the Secretary of Commerce.

9 (6) FINAL DETERMINATION.—After such man-
10 datory review, the Director shall make a final deter-
11 mination on the validity and on the appropriate dis-
12 ciplinary or corrective action, contingent on approval
13 from the Secretary of Commerce.

14 (e) NONCOMPLIANCE DETERMINATIONS.—

15 (1) ACCOUNTABILITY.—The Director—

16 (A) may, in order to make a preliminary
17 determination about whether there is clear and
18 convincing evidence that employers partici-
19 pating in workforce projects are complying with
20 the terms of the American workforce contracts
21 involved and meeting the requirements of the
22 American workforce program—

23 (i) demand and review relevant mate-
24 rials from the employers; and

1 (ii) conduct random, periodic compli-
2 ance reviews of workforce projects; and

3 (B) shall review information in public dis-
4 closure documents submitted under section
5 4(g), including reviewing completion rates pro-
6 vided under section 4(g)(2)(A) to make a pre-
7 liminary determination about whether there is
8 clear and convincing evidence that employers
9 are participating in a workforce project with a
10 completion rate below 25 percent over 4 years.

11 (2) NOTICE AND OPPORTUNITY TO RESPOND.—

12 If the Director makes a preliminary determination
13 under paragraph (1) of noncompliance or participa-
14 tion in a workforce project described in paragraph
15 (1)(B), the Director shall provide the employer with
16 reasonable notice and opportunity to respond to the
17 preliminary determination.

18 (3) WARNING OR CIVIL PENALTY.—

19 (A) IN GENERAL.—The Director may, at
20 the discretion of the Director, issue a warning
21 to or assess a civil penalty against an employer
22 if, after carrying out paragraph (2), the Direc-
23 tor makes a final determination that there is
24 clear and convincing evidence that—

1 (i) the employer is participating in a
2 workforce project described in paragraph
3 (1)(B); or

4 (ii) the employer is violating the terms
5 of an American workforce contract or the
6 requirements of the American workforce
7 program.

8 (B) CALCULATION OF CIVIL PENALTY.—A
9 civil penalty assessed under subparagraph (A)
10 shall be in an amount that is not more than the
11 amount of funds received by the employer
12 through workforce education subsidies during
13 the past 2 years.

14 (4) SUSPENSION.—The Director may, at the
15 discretion of the Director, temporarily suspend an
16 employer from the American workforce program for
17 not more than 5 years if, after carrying out para-
18 graph (2), the Director makes a final determination
19 that there is clear and convincing evidence that—

20 (A) the employer is participating in a
21 workforce project described in paragraph
22 (1)(B); or

23 (B) the employer is consistently or egre-
24 giously violating the terms of an American

1 workforce contract or the requirements of the
2 American workforce program.

3 (f) INTERFERENCE WITH PROCEEDINGS OR INQUIR-
4 IES.—It shall be unlawful for any employer to discharge
5 or in any other manner discriminate against any trainee
6 because such trainee—

7 (1) has filed any complaint under subsection
8 (d);

9 (2) has given, or is about to give, any informa-
10 tion in connection with any inquiry or proceeding
11 under this Act (including any inquiry or proceeding
12 under subsection (d) or (e)); or

13 (3) has testified, or is about to testify, in any
14 such inquiry or proceeding under this Act.

15 **SEC. 4. AMERICAN WORKFORCE PROGRAM.**

16 (a) IN GENERAL.—The Director shall establish, sub-
17 ject to the availability of appropriations, an American
18 workforce program, and carry out the program by sup-
19 porting workforce projects with American workforce con-
20 tracts, distributing workforce education subsidies and bo-
21 nuses for hiring, and providing technical and administra-
22 tive support.

23 (b) CONTRACTS.—

24 (1) IN GENERAL.—To be eligible to receive a
25 workforce education subsidy, bonus for hiring, or

1 technical support under this Act for a workforce
2 project, an employer and prospective trainee shall
3 prepare a proposed American workforce contract
4 under this subsection, based on the standardized
5 template created by the Director, and submit the
6 proposed contract to the Director for approval. The
7 page limitation placed on the Director’s template
8 under subsection (c)(2)(B) shall not apply to the
9 proposed American workforce contract prepared by
10 the trainee and employer or the final American
11 workforce contract.

12 (2) PROVISIONS.—The proposed contract be-
13 tween an individual who is a prospective trainee and
14 the employer shall include each of the following:

15 (A) PARTIES INVOLVED.—The name of the
16 individual, the employer participating in the
17 workforce project, and any third-party entity
18 with whom the employer is partnering to pro-
19 vide the educational workforce training compo-
20 nent of the project (referred to in this Act as
21 a “third-party training entity”).

22 (B) TERM.—The term, which shall not be
23 shorter than 6 weeks, of the workforce project
24 (including specifying total time to completion)
25 and the amount of time the individual will

1 spend in structured on-the-job work and in edu-
2 cational workforce training (including specifying
3 hours per week, month, and year).

4 (C) WORK AND TRAINING PLAN.—A de-
5 tailed overview of the curriculum for the edu-
6 cational workforce training, a description of the
7 structured on-the-job work, and a description of
8 skills and competencies to be attained through
9 the workforce project.

10 (D) WRITTEN WORKFORCE AGREEMENT.—
11 A proposed written workforce agreement for the
12 individual that outlines each of the following:

13 (i) The terms and conditions of the
14 individual's work and training.

15 (ii) The wage or salary an individual
16 will receive as a trainee and the estimated
17 starting wage or salary, in accordance with
18 the requirements of subsection (e), for
19 each position, described in subsection (e),
20 that the individual is receiving training for
21 and being considered for.

22 (iii) The technical and professional
23 standards that will be met by the indi-
24 vidual for successful completion of the
25 workforce project.

1 (iv)(I) Expected long-term and short-
2 term outcomes for the individual, including
3 qualifying positions of the type the indi-
4 vidual is being trained for at the employer
5 and third-party training entities (if appli-
6 cable), and the estimated wage or salary
7 range for the occupation the individual is
8 being trained for.

9 (II) The projected growth of the rel-
10 evant industry or occupation, if informa-
11 tion on that growth is available to the em-
12 ployer or obtainable with such technical as-
13 sistance as the Director may provide.

14 (v) The circumstances under which
15 the individual's wage or salary will increase
16 during the workforce project.

17 (vi) A description of voluntary
18 mentorship opportunities that may be
19 available.

20 (vii) A disclosure of the amount of the
21 payment from a workforce education sub-
22 sidy that the employer will receive per pay-
23 ment period from the Director and any
24 costs or expenses that will be charged to

1 the trainee or could reasonably be expected
2 to be charged to the trainee.

3 (viii) If 1 or more competency-based
4 credentials exist for the relevant industry
5 or occupation, a description of the top 1 to
6 3 such credentials that the individual
7 might earn on successful completion of the
8 workforce project.

9 (ix) If no competency-based credential
10 exists for the industry or occupation, a de-
11 scription of any other credential, such as a
12 certification or license, that the individual
13 might earn in the relevant industry or oc-
14 cupation due to experience in the work-
15 force project.

16 (3) REVIEW OF CREDENTIALS.—

17 (A) IN GENERAL.—Not later than 1 month
18 after receiving for review a proposed American
19 workforce contract, the Director shall review
20 the credentials specified in the contract under
21 clause (viii) or (ix) of paragraph (2)(D) and
22 may note any additional credentials the Direc-
23 tor determines a trainee should consider earn-
24 ing. Any such credential noted by the Director
25 shall be described in the contract.

1 (B) RULES OF CONSTRUCTION.—Nothing
2 in this section shall be construed to—

3 (i) permit the Director to reject an
4 entire proposed American workforce con-
5 tract solely because of the Director’s view
6 of a credential described in the proposed
7 contract; or

8 (ii) require a trainee to agree to earn
9 a competency-based credential or another
10 credential specified in the American work-
11 force contract, as a condition of using
12 funding provided through a workforce edu-
13 cation subsidy under this section.

14 (4) REVIEW OF CONTRACT.—

15 (A) IN GENERAL.—Not later than 1 month
16 after receiving a proposed American workforce
17 contract, the Director shall review, and approve
18 or disapprove, the proposed contract (including
19 conducting the review under paragraph (3) and
20 determining whether the employer has provided
21 the appropriate written disclosure document
22 under subsection (g)).

23 (B) PRESUMPTION OF APPROVAL.—There
24 shall be a presumption of approval for a pro-
25 posed American workforce contract, in that

1 such a contract that has not been disapproved
2 by the Director shall be considered to be ap-
3 proved on the 32nd day after the date of that
4 receipt. A proposed American workforce con-
5 tract may only be disapproved for failing to
6 meet the requirements of this Act. If such a
7 proposed contract is disapproved, the Director
8 shall describe the reason, with a citation to the
9 requirement not met, and a recommendation for
10 how the proposed contract shall be amended to
11 comply with this Act.

12 (5) REVIEW OF RESUBMISSION.—If an em-
13 ployer and individual submit a proposed contract
14 under paragraph (1) that is not approved under
15 paragraph (4), the employer and individual may re-
16 submit the amended proposed contract for review as
17 described in paragraph (4). For purposes of para-
18 graph (4)(B), the reference to the date of receipt
19 shall be considered to be the date of receipt of the
20 resubmitted proposed contract.

21 (6) ENTRY INTO CONTRACT.—Once a proposed
22 contract has been approved under paragraph (4) or
23 (5), the individual and employer involved may enter
24 into the contract and initiate the workforce project.

1 (7) CURRENT EMPLOYEES.—A participating
2 employer may enter into an American workforce con-
3 tract with, and enroll into their workforce project,
4 an employee who holds a position with the employer
5 if the employer agrees to—

6 (A) maintain employment for that em-
7 ployee at the employee’s wage or salary on the
8 date of enrollment, or a higher wage or salary;
9 and

10 (B) provide an increase to the employee’s
11 annual wage or salary, if the employee success-
12 fully completes the workforce project, that is
13 equal to not less than 25 percent of the value
14 of the educational workforce subsidy provided
15 for the project.

16 (c) WORKFORCE EDUCATION SUBSIDIES.—Not ear-
17 lier than the date on which an individual and employer
18 enter into an American workforce contract approved by
19 the Director, the Director shall provide an education work-
20 force subsidy to the employer operating the workforce
21 project. Each of the following rules shall apply to the
22 workforce education subsidy and the trainee involved and
23 employer:

24 (1) The workforce education subsidy may be
25 used to subsidize the cost of educational workforce

1 training (onsite or with an eligible third-party train-
2 ing entity), not the wage or salary of the trainee.

3 (2) The employer shall pay, at regular intervals,
4 the trainee a wage or salary at a rate that is not less
5 than the higher of—

6 (A) the rate in effect under section 6(a)(1)
7 of the Fair Labor Standards Act of 1938 (29
8 U.S.C. 206(a)(1)); or

9 (B) the rate in effect under a State or
10 local minimum wage law that applies to the
11 State or locality in which the trainee is engaged
12 in labor or service for the employer.

13 (3) The employer shall provide a working envi-
14 ronment for the trainee that meets all applicable
15 Federal, State, and local safety laws and regula-
16 tions.

17 (4) Neither the Director or any other officer or
18 employee of the executive branch of the Federal
19 Government may make the workforce education sub-
20 sidy contingent on any requirement not specified in
21 this Act.

22 (5) The employer shall not currently be sus-
23 pended from participating in workforce projects sub-
24 section (d) or (e) of section 3.

1 (6) Participation in the workforce project in-
2 volved shall not make the employer subject to the ju-
3 risdiction of the Office of Federal Contract Compli-
4 ance Programs of the Department of Labor as a
5 Federal contractor, including not being subject to
6 Executive Order 11246.

7 (7) The employer shall comply with all applica-
8 ble Federal, State, and local statutory laws per-
9 taining to nondiscrimination in employment.

10 (8) The workforce education subsidy may not
11 be used for—

12 (A) diversity, equity, and inclusion train-
13 ing, or culturally responsive training; or

14 (B) any other training that may violate—

15 (i) title VII of the Civil Rights Act of
16 1964 (42 U.S.C. 2000e et seq.), by con-
17 tributing to a hostile work environment; or

18 (ii) title VI of the Civil Rights Act of
19 1964 (42 U.S.C. 2000d et seq.), including
20 its prohibition, on the ground of race,
21 color, or national origin, of discrimination
22 under any program or activity receiving
23 Federal financial assistance.

24 (9) The workforce education subsidy may not
25 be used for political spending, electioneering, or any

1 other purpose that is not directly related to edu-
2 cational workforce training.

3 (10) The Director shall make payments from
4 the workforce education subsidy to the employer—

5 (A) in even installments, following the end
6 of each financial quarter in which the training
7 and on-the-job work specified in the American
8 workforce contract have been completed by the
9 trainee;

10 (B) in sums of not more than \$1,500 per
11 month; and

12 (C) for a total amount of not more than
13 \$9,000, as determined on the basis of the
14 American workforce contract.

15 (11) A State government or locality may sup-
16 plement the workforce education subsidy with addi-
17 tional funds, if the State government or locality does
18 not make accepting such funds or any conditions at-
19 tached to the funds a requirement of accepting Fed-
20 eral funding.

21 (12) If the trainee chooses to leave a workforce
22 project after the halfway point of the term of the
23 workforce project, the trainee will be considered to
24 have used the entirety of one of the workforce edu-

1 cation subsidies through which the trainee is eligible
2 to receive educational workforce training.

3 (13) If the employer ceases operations, the
4 trainee shall not be held at fault, meaning that the
5 trainee may receive educational workforce training,
6 funded with the full value of the workforce education
7 subsidy, for a workforce project with a subsequent
8 eligible employer, notwithstanding the time require-
9 ment of paragraph (15).

10 (14) The maximum period of time for which an
11 employer (including a subsequent employer described
12 in paragraph (13)) may receive payments, provided
13 through the workforce education subsidy for edu-
14 cation workforce training of a trainee, shall be 3
15 years.

16 (15)(A) In order for a trainee to enroll in a
17 workforce project with a subsequent eligible em-
18 ployer through a second or third such subsidy, the
19 trainee shall receive the related educational work-
20 force training not less than 1 year after the conclu-
21 sion of the trainee's most recent training through a
22 workforce education subsidy.

23 (B) The time limit described in subparagraph
24 (A) shall not apply to a trainee who—

1 (i) completed a workforce project with, but
2 was not hired by, an employer; and

3 (ii) seeks to receive such training through
4 a workforce project with the trainee's next em-
5 ployer.

6 (16) The employer shall meet the applicable
7 minimum ratios specified under section 5(d).

8 (17) The employer shall use E-Verify for each
9 trainee enrolled and individual hired or employed
10 during the period for which the employer accepts
11 funds through a subsidy provided under this Act, re-
12 gardless of whether the trainee or individual partici-
13 pated in a workforce project.

14 (18) The employer shall publish a public disclo-
15 sure document, consistent with subsection (g).

16 (d) BONUS FOR HIRING.—

17 (1) IN GENERAL.—If an trainee, on completion
18 of a workforce project, is hired as a full-time, reg-
19 ular employee of the employer participating in the
20 workforce project, with a wage or salary described in
21 subsection (e)(1), the employer shall receive a bonus
22 of \$1,000 (in addition to any payment received
23 through a workforce education subsidy). The Direc-
24 tor shall pay the bonus not sooner than the date
25 that is 6 months after the trainee is so hired.

1 (2) RULES.—Subject to paragraph (3), each of
2 the rules described in paragraphs (5), (6), (8), (9),
3 (11), (16), (17), and (18) shall apply to the bonus,
4 and the trainee hired and employer, except that a
5 reference in those paragraphs—

6 (A) to a workforce educational subsidy
7 shall be considered to be a reference to the
8 bonus; and

9 (B) to a trainee shall be considered to be
10 a reference to the trainee hired.

11 (3) USE OF BONUS.—An employer who receives
12 a bonus under this subsection may use the bonus
13 funds to supplement the wage or salary of the train-
14 ee hired.

15 (e) POSITION FOR THE TRAINEE.—

16 (1) WAGES.—An employer participating in a
17 workforce project shall be training each trainee and
18 considering each trainee for a position that would
19 have an annual wage or salary of not less than 80
20 percent of—

21 (A) the annual median household income
22 of the county in which the job involved is lo-
23 cated (or an hourly wage based on that income
24 and adjusted for a 2,080-hour annual work pe-
25 riod), as determined by the 5-year estimates of

1 the American Community Survey of the Bureau
2 of the Census; or

3 (B) if the county involved is not in a
4 micropolitan or metropolitan area, the annual
5 median household income for the nearest
6 micropolitan or metropolitan area, as deter-
7 mined by the Bureau of the Census.

8 (2) REMOTE WORK.—An employer providing re-
9 mote work for a trainee or employee (in a position
10 referred to in paragraph (1)) shall use the trainee’s
11 or employee’s location when determining an applica-
12 ble wage or salary under this Act. Such a trainee or
13 employee engaging in remote work shall live in the
14 United States and file Federal income taxes in the
15 United States.

16 (3) WORK.—An employer participating in a
17 workforce project shall provide structured on-the-job
18 work for each trainee in a job that requires special-
19 ized knowledge and experience and involves the per-
20 formance of complex tasks, to prepare the trainee
21 for a position referred to in paragraph (1).

22 (f) EDUCATIONAL WORKFORCE TRAINING.—In pro-
23 viding for educational workforce training through a work-
24 force project to a trainee, an employer shall meet each
25 of the following requirements:

1 (1) SKILLS.—The employer shall ensure that
2 the training is designed in a manner that enables
3 trainees to obtain and demonstrate competency and
4 obtain progressively advancing and portable skills
5 that are necessary for the industry or occupation in-
6 volved.

7 (2) PARTNERS.—The employer may partner
8 with any of the following eligible third-party training
9 entities, and may pay such a third-party training en-
10 tity with funds from a workforce education subsidy,
11 in order to provide the training for trainees in the
12 workforce project:

13 (A) A trade, industry, or employer group
14 or association.

15 (B) A corporation or other related orga-
16 nized entity.

17 (C) An educational institution, such as an
18 institution of higher education, including a com-
19 munity college, or a secondary school.

20 (D) A State or local government agency or
21 entity.

22 (E) A nonprofit organization.

23 (F) A union.

24 (G) A joint labor-management organiza-
25 tion.

1 (H) A certification or accreditation body or
2 entity for an industry or occupation.

3 (I) A consortium or partnership of entities
4 such as entities described in any of subpara-
5 graphs (A) through (H).

6 (3) CREDENTIALS.—The employer shall ensure
7 that, in conjunction with that training, the trainee
8 shall be made aware of any widely used competency-
9 based credentials in the employer’s industry or occu-
10 pation. If a competency-based credential is described
11 in the trainee’s American workforce contract, the
12 employer shall not forbid the trainee, or provide a
13 disincentive to discourage the trainee, from taking a
14 related competency-based credential exam.

15 (4) DEFINITIONS.—In this subsection:

16 (A) COMMUNITY COLLEGE.—The term
17 “community college” means an institution of
18 higher education (as defined in section 101(a)
19 of the Higher Education Act of 1965 (20
20 U.S.C. 1001(a))) at which the highest degree
21 that is predominately awarded to students is an
22 associate degree.

23 (B) INSTITUTION OF HIGHER EDU-
24 CATION.—The term “institution of higher edu-
25 cation” has the meaning given that term in sec-

1 tion 102 of the Higher Education Act of 1965
2 (20 U.S.C. 1002).

3 (g) PUBLIC DISCLOSURE DOCUMENT.—

4 (1) IN GENERAL.—The Director shall require
5 each participating employer seeking approval for a
6 proposed American workforce contract to provide a
7 written disclosure document, about the employer’s
8 workforce project, that includes each of the following
9 statistics and information:

10 (A) The total expected cost, if any, for a
11 trainee during or at the completion of the work-
12 force project, such as the cost of fees for a cer-
13 tification examination.

14 (B) The expected wage or salary for the
15 position of the employer that the workforce
16 project is designed to train for.

17 (C) The length of the workforce project.

18 (D) The total expected number of hours of
19 structured on-the-job work per week, and of
20 hours of educational workforce training per
21 week, for a trainee during the workforce
22 project.

23 (E) The total expected number of hours
24 for which a trainee will be paid during the
25 course of the workforce project.

1 (F) The hourly wage or salary for a train-
2 ee during the course of the workforce project.

3 (G) Information stating any certifications,
4 licenses, or other credentials that trainees in
5 the workforce project might earn on successful
6 completion of the workforce project.

7 (2) ADDITIONAL PUBLIC DISCLOSURE FOR ES-
8 TABLISHED WORKFORCE PROJECTS.—Three years
9 after an employer has completed a workforce project,
10 the Director shall require the employer to include, in
11 its written disclosure document, documentation that
12 includes each of the following statistics:

13 (A) The completion rate for trainees in a
14 workforce project with the employer, calculated
15 over the previous 3 years.

16 (B) The percentage of trainees that com-
17 pleted a workforce project with, and were hired
18 by, the employer participating in the project,
19 calculated over the previous 2 years.

20 (C) The average wage or salary of cur-
21 rently employed (as of the date of collection of
22 the wage or salary information) trainees who
23 completed a workforce project, during the last
24 3 years, presented in a way that does not reveal

1 individually identifiable wage or salary informa-
2 tion.

3 (3) AVAILABILITY.—The disclosure documents
4 described in paragraphs (1) and (2) shall be made
5 available to the general public by the Director.

6 **SEC. 5. GENERAL PROVISIONS.**

7 (a) WORKFORCE PROJECT AFTER PAYMENT PE-
8 RIOD.—Nothing in this Act shall be construed to require
9 a workforce project to end after 3 years, the maximum
10 period of time for which an employer may receive pay-
11 ments through a workforce education subsidy for a train-
12 ee, if the employer pays for the cost of the associated edu-
13 cational workforce training for the portion of the project
14 after that maximum period.

15 (b) RELATIONSHIP TO OTHER PROJECTS.—Individ-
16 uals who do not meet the criteria described in section
17 2(8)(A) may participate in projects, structured like work-
18 force projects described in this Act, if the employer or an
19 organization other than the Federal Government provides
20 the necessary funding for wages or salaries, and edu-
21 cational workforce training.

22 (c) THIRD-PARTY TRAINING ENTITY.—The Sec-
23 retary may not pressure, or provide an incentive or dis-
24 incentive to, an employer to choose 1 eligible entity over
25 another as a third-party training entity. The choice of a

1 third-party training entity shall be made entirely by an
2 employer.

3 (d) REGULATIONS ON RATIOS.—

4 (1) RATIOS.—Beginning 5 years after the date
5 of enactment of this Act, the Secretary may issue
6 regulations that specify 1 or more ratios, based on
7 categories of jobs as defined by the Secretary, be-
8 tween the number of job openings for a prospective
9 position, as a full-time regular employee, related to
10 a workforce project, and the number of trainees in
11 that project.

12 (2) OBJECTIVES.—In issuing the regulations,
13 the Secretary shall consider the following objectives:

14 (A) Assuring that a trainee has a reason-
15 able opportunity to be hired as a full-time, reg-
16 ular employee by the employer participating in
17 the workforce project.

18 (B) Ensuring that an employer's hiring
19 discretion is not limited in a manner that would
20 incentivize an employer to lower standards for
21 a position that is particularly difficult or dan-
22 gerous.

23 (e) CRITERIA.—The Secretary may establish criteria
24 regarding technical matters and provide technical assist-
25 ance for meeting the requirements of this Act.

1 (f) REQUIRED REGULATIONS.—Regulations required
2 under this Act shall be issued by the corresponding officer
3 within 3 months after the date of enactment of this Act,
4 except as otherwise specified.

5 **SEC. 6. EVALUATION REPORTS AND SUNSET.**

6 (a) 5-YEAR REPORT.—Not later than 5 years after
7 the date of enactment of this Act, the Secretary shall pre-
8 pare and submit to Congress a report including each of
9 the following information, analysis, and recommendations:

10 (1) A comparison of the American workforce
11 program to other major career and technical edu-
12 cation or apprenticeship programs administered by
13 the Federal Government, including the registered
14 apprenticeship program carried out under the Act of
15 August 16, 1937 (commonly known as the “National
16 Apprenticeship Act”; 50 Stat. 664, chapter 663; 29
17 U.S.C. 50 et seq.), and to the workforce investment
18 activity programs administered under the Workforce
19 Innovation and Opportunity Act (29 U.S.C. 3101 et
20 seq.), on the basis of—

21 (A) the completion rate of participants in
22 each program;

23 (B) the average earnings of participants in
24 each program, calculated during—

- 1 (i) the related career and technical
2 education, apprenticeship, workforce in-
3 vestment, or workforce project; and
- 4 (ii) the period beginning 3 years and
5 ending 5 years after the participants com-
6 plete the related career and technical edu-
7 cation, apprenticeship, workforce invest-
8 ment, or workforce project;
- 9 (C) the percentages obtained by dividing—
- 10 (i) the number of participants and
11 rate of growth in participants for each pro-
12 gram; by
- 13 (ii) the number of individuals in the
14 labor force and the rate of growth of the
15 labor force, respectively;
- 16 (D) the level of direct engagement by em-
17 ployers with, and satisfaction from employers
18 in, each program; and
- 19 (E) the diversity of the industries and oc-
20 cupations of the employers who utilize each pro-
21 gram.
- 22 (2) The overall completion rate for the Amer-
23 ican workforce program, the completion rate for
24 workforce projects by industry and occupation, the
25 number of trainees who dropped out of the program

1 entirely, broken down by industry and occupation,
2 and the number who left a workforce project for an-
3 other workforce project.

4 (3) The results of a survey, based on a random
5 sample and designed to generate statistically signifi-
6 cant results, of trainees who have participated in the
7 program.

8 (4) The results of a survey, based on a random
9 sample and designed to generate statistically signifi-
10 cant results, of employers who have participated in
11 the program, including a breakdown by size of em-
12 ployer.

13 (5) Data collected under section 3(c)(8)(B).

14 (6) Information and technical criteria, other
15 regulations, and guidance issued by the Secretary to
16 administer the program.

17 (7) Information on the rate of uptake by indi-
18 viduals and employers that are eligible to participate
19 in the program, and recommendations for ways in
20 which this rate of uptake could be improved.

21 (8) Analysis on considerations for Congress
22 about expanding the use of intermediary institutions,
23 such as nonprofits, to better advertise the program.

24 (9)(A) Analysis on considerations for Congress
25 in expanding eligibility of the program for United

1 States citizens who do not have a high school di-
2 ploma or its generally recognized equivalent.

3 (B) Analysis on considerations for Congress in
4 encouraging trainees to obtain industry-recognized
5 credentials that help to provide recognition of a
6 portable skill.

7 (C) Analysis on considerations for Congress on
8 the effect and necessity of regulations described in
9 section 5(d).

10 (D) Recommendations for Congress on encour-
11 aging participation in workforce projects by small
12 businesses.

13 (10) Analysis on considerations for Congress
14 about how to effectively engage high school students
15 in a workforce project, including—

16 (A) how coursework for a technical high
17 school, or career and technical education in a
18 high school, could qualify towards the comple-
19 tion of a workforce project; and

20 (B) how time spent in structured on-the-
21 job work or educational workforce training for
22 a workforce project could count towards high
23 school graduation.

1 (11) Recommendations for improvement and re-
 2 authorization of the American workforce program by
 3 Congress.

4 (b) 10-YEAR REPORT.—Not later than 10 years after
 5 the date of enactment of this Act, the Secretary shall pre-
 6 pare and submit to Congress a report containing the infor-
 7 mation, analysis, and recommendations described in sub-
 8 section (a).

9 (c) SUNSET.—The program authorized by section 4
 10 and the position of the Director shall cease to exist on
 11 the earlier of—

12 (1) the date on which the Director submits the
 13 report described in subsection (b) to Congress; or

14 (2) the day that is 11 years after the date of
 15 enactment of this Act.

16 **SEC. 7. EXCISE TAX ON CERTAIN LARGE PRIVATE COLLEGE**
 17 **AND UNIVERSITY ENDOWMENTS.**

18 (a) IN GENERAL.—Subchapter H of chapter 42 of
 19 the Internal Revenue Code of 1986 is amended by adding
 20 at the end the following new section:

21 **“SEC. 4969. EXCISE TAX ON CERTAIN LARGE PRIVATE COL-**
 22 **LEGE AND UNIVERSITY ENDOWMENTS.**

23 “(a) TAX IMPOSED.—There is hereby imposed on
 24 each specified applicable educational institution for the
 25 taxable year a tax equal to 1 percent of the aggregate fair

1 market value of the assets of the institution at the end
2 of the preceding taxable year.

3 “(b) SPECIFIED APPLICABLE EDUCATIONAL INSTI-
4 TUTION.—For purposes of this subchapter, the term ‘spec-
5 ified applicable educational institution’ means any applica-
6 ble educational institution, other than an institution which
7 is religious in nature, the aggregate fair market value of
8 the assets of which at the end of the preceding taxable
9 year (other than those assets which are used directly in
10 carrying out the institution’s exempt purpose) is at least
11 \$2,500,000,000.

12 “(c) OTHER TERMS.—For purposes of this section—

13 “(1) ASSETS.—The rules of section 4968(d)
14 shall apply.

15 “(2) STUDENT.—The rules of section
16 4968(b)(2) shall apply.”.

17 (b) CLERICAL AMENDMENT.—The table of sections
18 for subchapter H of chapter 42 of the Internal Revenue
19 Code of 1986 is amended by adding at the end the fol-
20 lowing new item:

“Sec. 4969. Excise tax on certain large private college and university endow-
ments.”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after
23 December 31, 2022.

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