

118TH CONGRESS
2D SESSION

S. 3825

To amend the Workforce Innovation and Opportunity Act to establish a
State innovation demonstration authority.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 28, 2024

Mr. ROMNEY introduced the following bill; which was read twice and referred
to the Committee on Health, Education, Labor, and Pensions

A BILL

To amend the Workforce Innovation and Opportunity Act
to establish a State innovation demonstration authority.

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 “One Door to Work
5 Act”.

6 **SEC. 2. STATE INNOVATION DEMONSTRATION AUTHORITY.**

7 Section 190 of the Workforce Innovation and Oppor-
8 tunity Act (29 U.S.C. 3250) is amended to read as follows:

1 **“SEC. 190. STATE INNOVATION DEMONSTRATION AUTHOR-**
 2 **ITY.**

3 “(a) PURPOSE.—The purpose of this section is to au-
 4 thorize any State to apply under this section on behalf
 5 of the entire State, or a local area or a consortium of local
 6 areas in the State, to receive the allotments or allocations
 7 of the State or the local areas, respectively, for youth
 8 workforce investment activities and adult and dislocated
 9 worker employment and training activities under this Act,
 10 and for activities under the Wagner-Peyser Act, as a con-
 11 solidated grant for 5 years for the purpose of carrying out
 12 a demonstration project to pursue innovative reforms to
 13 achieve better outcomes for jobseekers, employers, and
 14 taxpayers.

15 “(b) GENERAL AUTHORITY.—

16 “(1) WAIVERS AND DEMONSTRATION GRANT
 17 AMOUNTS.—Notwithstanding any other provision of
 18 law, during the demonstration period applicable to a
 19 demonstration project approved for a State pursuant
 20 to subsection (d)(3), the Secretary shall comply with
 21 each of the following:

22 “(A) WAIVERS.—Subject to paragraph (2),
 23 waive for the State as a whole, or for the local
 24 area or the consortium of local areas in such
 25 State selected by the State to carry out such
 26 demonstration project—

1 “(i) all the statutory and regulatory
 2 requirements of subtitle A, subtitle B, and
 3 this subtitle; and

4 “(ii) all the statutory or regulatory re-
 5 quirements of the Wagner-Peyser Act (29
 6 U.S.C. 49g et seq.).

7 “(B) DEMONSTRATION GRANT
 8 AMOUNTS.—For each fiscal year applicable to
 9 such demonstration period:

10 “(i) STATE AS A WHOLE.—In a case
 11 of a State approved to carry out a dem-
 12 onstration project under this section on be-
 13 half of the State as a whole, distribute as
 14 a consolidated sum to the State, for pur-
 15 poses of carrying out the project, the
 16 State’s total allotment for such fiscal year
 17 under—

18 “(I) subsections (b)(1)(C) and
 19 (c) of section 127;

20 “(II) paragraphs (1)(B) and
 21 (2)(B) of section 132(b), and section
 22 132(c); and

23 “(III) section 6 of the Wagner-
 24 Peyser Act (29 U.S.C. 49e).

“(ii) LOCAL AREA.—In a case of a local area selected by a State to carry out a demonstration project under this section, require the State to—

“(I) distribute as a consolidated sum to the local board for such local area, for purposes of carrying out the project—

“(aa) the local area’s allocation for such fiscal year under—

“(AA) subsections (b) and (c) of section 128; and

“(BB) subsections (b) and (c) of section 133; and

“(bb) any funds under section 6 of the Wagner-Peyser Act (29 U.S.C. 49e) that the State would otherwise allocate for such fiscal year to the one-stop delivery system in the local area; or

“(II) if the local board of the local area enters into a written agreement with the State for the State to serve as the fiscal agent for the local board during the demonstration

project, use the funds described in items (aa) and (bb) of subclause (I) for purposes of carrying out the project on behalf of the local board.

“(iii) CONSORTIUM OF LOCAL AREAS.—In a case of a consortium of local areas selected by a State to carry out a demonstration project under this section, require the State to—

“(I) distribute as a consolidated sum to the consortium, for purposes of carrying out the project—

“(aa) the total amount of the allocations for the local areas in such consortium for such fiscal year under—

“(AA) subsections (b) and (c) of section 128; and

“(BB) subsections (b) and (c) of section 133; and

“(bb) any funds under section 6 of the Wagner-Peyser Act (29 U.S.C. 49e) that the State would otherwise allocate for such fiscal year to the one-stop deliv-

1 ery systems in the local areas in
2 such consortium; or

3 “(II) if the consortium enters
4 into a written agreement with the
5 State for the State to serve as the fis-
6 cal agent for the local boards rep-
7 resented in the consortium during the
8 demonstration project, use the funds
9 described in items (aa) and (bb) of
10 subclause (I) for purposes of carrying
11 out the project on behalf of such con-
12 sortium.

13 “(2) EXCEPTIONS.—A State, local area, or con-
14 sortium of local areas carrying out a demonstration
15 project under this section—

16 “(A) shall comply with statutory or regu-
17 latory requirements of—

18 “(i) this Act relating to—

19 “(I) wage and labor standards;

20 “(II) nondisplacement protec-
21 tions;

22 “(III) participation and protec-
23 tion of workers and participants;

24 “(IV) nondiscrimination;

1 “(V) grievance procedures and
2 judicial review; and

3 “(VI) performance accountability
4 and reporting, except as otherwise
5 provided in this section; and

6 “(ii) the Wagner-Peyser Act relating
7 to provision of services to unemployed in-
8 surance claimants and veterans, and relat-
9 ing to universal access to basic labor ex-
10 change services without cost to jobseekers;
11 and

12 “(B) may choose to comply with any other
13 statutory or regulatory requirement of this Act
14 or the Wagner-Peyser Act.

15 “(c) DEMONSTRATION PERIOD; LIMITATIONS.—

16 “(1) IN GENERAL.—A demonstration project
17 approved under this section for a State, local area,
18 or consortium—

19 “(A) shall be carried out for a 5-year dem-
20 onstration period; and

21 “(B) may be renewed for additional 5-year
22 demonstration periods, if the State, local area,
23 or consortium meets its expected levels of per-
24 formance established under subsection (f)(1) for

1 each of the final 3 years of the preceding 5-year
 2 period.

3 “(2) LIMITATIONS.—

4 “(A) DEMONSTRATION PERIOD LIMITA-
 5 TIONS.—For each 5-year demonstration period
 6 (including renewals of such period)—

7 “(i) not more than 8 States may carry
 8 out demonstration projects approved for a
 9 State as a whole under this section; and

10 “(ii) not more than 8 local areas (or
 11 consortia of local areas) may carry out
 12 demonstration projects approved for a local
 13 area (or a consortium) under this section.

14 “(B) STATE LIMITATIONS.—Not more
 15 than 1 demonstration project may be approved
 16 under this section per State. For purposes of
 17 this paragraph, a demonstration project ap-
 18 proved for a local area or a consortium of local
 19 areas in a State shall be considered a dem-
 20 onstration project approved under this section
 21 for the State.

22 “(d) APPLICATION.—

23 “(1) IN GENERAL.—To be eligible to carry out
 24 a demonstration project under this section, a State
 25 shall submit to the Secretary an application at such

time, and in such manner, as the Secretary may reasonably require, and containing the information described in paragraph (2).

“(2) CONTENT.—Each application submitted by a State under this subsection shall include the following:

“(A) A description of the demonstration project to be carried out under this section, including—

“(i) whether the project will be carried out—

“(I) by the State as a whole;

“(II) by a local area, and if so—

“(aa) an identification of—

“(AA) such local area;

and

“(BB) whether the local board for such local area is the fiscal agent for the project, or whether the local board has entered into a written agreement with the State for the State to serve as the fiscal agent during the project; and

1 “(bb) written verification
2 from the local board for such
3 local area that such local board
4 agrees—

5 “(AA) to carry out such
6 project; and

7 “(BB) to the fiscal
8 agent identified in item
9 (aa)(BB); and

10 “(III) by a consortium of local
11 areas in the State, and if so—

12 “(aa) an identification of—

13 “(AA) each local area
14 that comprises the consor-
15 tium; and

16 “(BB) the local area
17 that will serve as the fiscal
18 agent for the consortium
19 during the project, or wheth-
20 er the consortium has en-
21 tered into a written agree-
22 ment with the State for the
23 State to serve as the fiscal
24 agent; and

1 “(bb) written verification
2 from each local board of each
3 local area identified in item
4 (aa)(AA) that such local board
5 agrees—

6 “(AA) to carry out such
7 project as a consortium; and

8 “(BB) to the fiscal
9 agent for the consortium
10 identified in item (aa)(BB);

11 “(ii) a description of the activities to
12 be carried out under the project; and

13 “(iii) the goals the State, local area,
14 or consortium intends to achieve through
15 such activities, which shall be aligned with
16 purpose described in subsection (a).

17 “(B) A description of the performance out-
18 comes the State, the local area, or consortium
19 expects to achieve for such activities for each
20 year of the demonstration period as described
21 in subsection (f)(1).

22 “(C) A description of how the State, local
23 area, or consortium consulted with employers,
24 the State board, and the local boards in the

1 State in determining the activities to carry out
2 under the demonstration project.

3 “(D) A description of how the State will
4 make such activities available to jobseekers and
5 employers in each of the local areas in the State
6 or, in a case of a project that will be carried out
7 by a local area or a consortium, a description
8 of how such services will be made available to
9 jobseekers and employers in such local area or
10 each of the local areas in the consortium.

11 “(E) A description, if appropriate, of how
12 the State, local area, or consortium will inte-
13 grate the funds received, and the activities car-
14 ried out, under the demonstration project under
15 this section with State workforce development
16 programs and other Federal or State workforce,
17 education, or social service programs (including
18 the programs and activities listed in section
19 103(a)(2), the program of adult education and
20 literacy activities authorized under title II, and
21 the program authorized under title I of the Re-
22 habilitation Act of 1973 (29 U.S.C. 720 et
23 seq.)).

1 “(F) An assurance that the State, local
2 area, or consortium will meet the requirements
3 of this section.

4 “(3) SECRETARIAL APPROVAL.—

5 “(A) IN GENERAL.—Not later than 60
6 days after the date on which a State submits an
7 application under this subsection, the Secretary
8 shall—

9 “(i) in a case in which the application
10 meets the requirements of this section and
11 is not subject to the limitations described
12 in subsection (c)(2), approve such applica-
13 tion and the demonstration project de-
14 scribed in such application; or

15 “(ii) provide to the State a written ex-
16 planation of initial disapproval that meets
17 the requirements of subparagraph (C).

18 “(B) DEFAULT APPROVAL.—With respect
19 to an application submitted by a State under
20 this subsection that is not subject to the limita-
21 tions described in subsection (c)(2), if the Sec-
22 retary fails to approve such application or pro-
23 vide an explanation of initial disapproval for
24 such application as required under subpara-
25 graph (A), the application and the demonstra-

1 tion project described in such application shall
2 be deemed approved by the Secretary.

3 “(C) INITIAL DISAPPROVAL.—An expla-
4 nation of initial disapproval provided by the
5 Secretary to a State under subparagraph (A)(ii)
6 shall provide the State—

7 “(i) detailed reasons for why the ap-
8 plication does not meet the requirements of
9 this section; and

10 “(ii) if the State is not subject to the
11 limitations described in subsection (c)(2),
12 an opportunity to revise and resubmit the
13 State’s application under this section.

14 “(e) STATE DEMONSTRATION PROJECT REQUIRE-
15 MENTS.—A State, local area, or consortium that has been
16 approved to carry out a demonstration project under this
17 section shall meet each of the following requirements:

18 “(1) USE OF FUNDS.—Use the funds received
19 pursuant to subsection (b)(1)(B) solely to carry out
20 the activities of the demonstration project to achieve
21 the goals described in subsection (d)(2)(A)(iii).

22 “(2) ADMINISTRATIVE COSTS LIMITATION.—
23 Use not more than 10 percent of the funds received
24 pursuant to subsection (b)(1)(B) for a fiscal year for

1 the administrative costs of carrying out the dem-
2 onstration project.

3 “(3) PRIORITY FOR SERVICES.—Give priority
4 for services under the project to veterans and their
5 eligible spouses in accordance with the requirements
6 of section 4215 of title 38, United States Code, re-
7 cipients of public assistance, low-income individuals,
8 and individuals who are basic skills deficient.

9 “(4) NUMBER OF PARTICIPANTS.—Serve a
10 number of participants under the activities of the
11 demonstration project for each year of the dem-
12 onstration period that—

13 “(A) is greater than the number of partici-
14 pants served by such State, local area, or con-
15 sortium under the programs described in sub-
16 paragraphs (A) and (C) of section 3(13) for the
17 most recent program year that ended prior to
18 the beginning of the first year of the dem-
19 onstration period; or

20 “(B) is not less than the number of par-
21 ticipants to be served under the activities of the
22 demonstration project that is agreed upon be-
23 tween the State, local area, or consortium, and
24 the Secretary—

1 “(i) prior to the Secretary’s approval
2 of the application submitted under sub-
3 section (d);

4 “(ii) after the Secretary takes into ac-
5 count—

6 “(I) the goals the State, local
7 area, or consortium intends to achieve
8 through the demonstration project;
9 and

10 “(II) the participants the State,
11 local area, or consortium intends to
12 serve under such project; and

13 “(iii) prior to approval of the applica-
14 tion submitted under subsection (d).

15 “(5) REPORTING OUTCOMES.—Submit, on an
16 annual basis, to the Secretary a report, with respect
17 to such State, local area, or consortium, on—

18 “(A) participant outcomes for each indi-
19 cator of performance described in subsection
20 (f)(1)(A) for the activities carried out under the
21 project; and

22 “(B) the applicable requirements of section
23 116(d)(2), including subparagraphs (B)
24 through (G) and subparagraph (J), as such

1 subparagraphs are applicable to activities under
2 the demonstration project.

3 “(6) COMPLIANCE WITH CERTAIN EXISTING RE-
4 QUIREMENTS.—Comply with the statutory or regu-
5 latory requirements listed in subsection (b)(2)(A).

6 “(7) EVALUATION.—Prior to the end of the
7 demonstration period—

8 “(A) conduct a rigorous evaluation of the
9 employment and earnings outcomes of partici-
10 pants in activities carried out under the dem-
11 onstration project, compared to the outcomes of
12 similarly situated individuals in such State,
13 local area, or a local area in the consortium
14 that do not participate in such activities; and

15 “(B) submit to Congress and the Secretary
16 the results of such evaluation.

17 “(f) PERFORMANCE ACCOUNTABILITY.—

18 “(1) ESTABLISHMENT OF EXPECTED PERFORM-
19 ANCE INDICATORS.—

20 “(A) IN GENERAL.—Each State, local
21 area, or consortium shall establish in the appli-
22 cation submitted under subsection (d), for each
23 year of the demonstration period—

24 “(i) with respect to participants who
25 are at least 25 years old, the expected lev-

els of performance for each of the indicators of performance under section 116(b)(2)(A)(i) for the activities carried out under the project under this section, which shall meet the requirements of subparagraph (B); and

“(ii) with respect to participants who are at least 16 years old and no older than 24 years old, the expected levels of performance for each of the indicators of performance under section 116(b)(2)(A)(ii) for the activities carried out under the project under this section, which shall meet the requirements of subparagraph (B).

“(B) 5TH YEAR.—Each of the expected levels of performance established for each of the indicators of performance under clauses (i) and (ii) of section 116(b)(2)(A) pursuant to subparagraph (A) for the 5th year of the demonstration period shall be higher than—

“(i) the highest level of performance for the corresponding indicator of performance for the programs described in subparagraphs (A) and (C) of section 3(13) for the most recent program year that

ended prior to the beginning of the first
year of the demonstration period; or

“(ii) an alternate baseline level of performance that is agreed upon between the State, local area, or consortium, and the Secretary—

“(I) prior to the Secretary’s approval of the application submitted under subsection (d); and

“(II) after the Secretary takes into account—

“(aa) the goals the State, local area, or consortium intends to achieve through the demonstration project; and

“(bb) the participants the State, local area, or consortium intends to serve under such project.

“(2) SANCTIONS.—

“(A) IN GENERAL.—The sanctions described in section 116(f)(1)(B) shall apply to a State, local area, or consortium beginning on the 3rd year of the demonstration period for such State, local area, or consortium, except

that the levels of performance established under paragraph (1) shall be—

“(i) deemed to be the State negotiated levels of performance for purposes of this paragraph; and

“(ii) adjusted at the end of each program year to reflect the actual characteristics of participants served and the actual economic conditions experienced using a statistical adjustment model similar to the model described in section 116(b)(3)(A)(viii).

“(B) INELIGIBILITY FOR RENEWAL.—A State, local area, or consortium that is subject to sanctions under this paragraph shall be ineligible to renew its demonstration period under subsection (c).

“(3) IMPACT OF LOCAL OR CONSORTIUM DEMONSTRATIONS ON STATEWIDE ACCOUNTABILITY.—With respect to a State with an approved demonstration project for a local area or consortium of local areas in the State—

“(A) the performance of such local area or consortium for the programs described in subparagraphs (A) and (C) of section 3(13) shall

1 not be included in the levels of performance for
2 such State for any of such programs for pur-
3 poses of section 116 for any program year that
4 is applicable to any year of the demonstration
5 period; and

6 “(B) with respect to any local areas of the
7 State that are not part of the demonstration
8 project, the State shall reach a new agreement
9 with the Secretary, for purposes of section
10 116(b)(3)(A), on levels of performance for such
11 programs for such program years.”.

○