

119TH CONGRESS
1ST SESSION

H. R. 2651

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

IN THE HOUSE OF REPRESENTATIVES

APRIL 3, 2025

Mr. OWENS 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 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—

4 “(1) authorize States to apply under this sec-
5 tion on behalf of the entire State, or on behalf of a
6 local area or a consortium of local areas in the
7 State, to receive the allotments or allocations of the
8 State or the local areas, respectively, for youth work-
9 force investment activities and adult and dislocated
10 worker employment and training activities under this
11 Act, as a consolidated grant for 5 years for the pur-
12 pose of carrying out a demonstration project to pur-
13 sue innovative reforms to achieve better outcomes
14 for jobseekers, employers, and taxpayers; and

15 “(2) require that rigorous evaluations be con-
16 ducted to demonstrate if better outcomes and associ-
17 ated innovative reforms were achieved as a result of
18 such demonstration projects.

19 “(b) GENERAL AUTHORITY.—

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

“(A) WAIVERS.—Subject to paragraph (2),
waive for the State as a whole, or for the local
area or the consortium of local areas in such
State selected by the State to carry out such
demonstration project, all the statutory and
regulatory requirements of subtitle A and sub-
title B.

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

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

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

“(II) paragraphs (1)(B) and
(2)(B) of section 132(b); and

“(III) section 132(c).

“(ii) LOCAL AREA.—In a case of a
local area selected by a State to carry out

1 a demonstration project under this section,
2 require the State to—

3 “(I) distribute as a consolidated
4 sum to the local board for such local
5 area, for purposes of carrying out the
6 project, the local area’s allocation for
7 such fiscal year under—

8 “(aa) subsections (b) and (c)
9 of section 128; and

10 “(bb) subsections (b) and
11 (c) of section 133; or

12 “(II) if the local board of the
13 local area enters into a written agree-
14 ment with the State for the State to
15 serve as the fiscal agent for the local
16 board during the demonstration
17 project, use the funds described in
18 subclause (I) for purposes of carrying
19 out the project on behalf of the local
20 board.

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

1 “(I) distribute as a consolidated
2 sum to the consortium, for purposes
3 of carrying out the project, the total
4 amount of the allocations for the local
5 areas in such consortium for such fis-
6 cal year under—

7 “(aa) subsections (b) and (c)
8 of section 128; and

9 “(bb) subsections (b) and
10 (c) of section 133; or

11 “(II) if the consortium enters
12 into a written agreement with the
13 State for the State to serve as the fis-
14 cal agent for the consortium during
15 the demonstration project, use the
16 funds described in subclause (I) for
17 purposes of carrying out the project
18 on behalf of such consortium.

19 “(2) EXCEPTIONS.—

20 “(A) IN GENERAL.—A State, local area, or
21 consortium of local areas carrying out a dem-
22 onstration project under this section shall com-
23 ply with statutory or regulatory requirements of
24 this Act relating to—

1 “(i) performance accountability and
2 reporting, except as otherwise provided in
3 this section;

4 “(ii) the membership of local or State
5 boards in instances where a State carrying
6 out a demonstration project will maintain
7 the use of such boards during the dem-
8 onstration period; and

9 “(iii) the priority of service described
10 in section 134(c)(3)(E).

11 “(B) APPLICABILITY OF DEFINED
12 TERMS.—In carrying out a demonstration
13 project under this section, a State, local area,
14 or consortium of local areas may only use a
15 term defined in section 3 to describe an activity
16 carried out under such demonstration project if
17 the State, local area, or consortium of local
18 areas gives such term the same meaning as
19 such term is given under such section.

20 “(3) AUTHORITY FOR THIRD-PARTY EVALUA-
21 TION.—

22 “(A) IN GENERAL.—Not later than 180
23 days after the first demonstration project is ap-
24 proved under this section, the Secretary shall
25 contract with a third-party evaluator to conduct

1 a rigorous evaluation of each demonstration
2 project approved under this section. The evalua-
3 tion shall—

4 “(i) cover the 5-year period of each
5 demonstration project;

6 “(ii) compare the employment and
7 earnings outcomes of participants in activi-
8 ties carried out under the demonstration
9 project to—

10 “(I) the outcomes of similarly sit-
11 uated individuals that do not partici-
12 pate in such activities who are located
13 in such State, local area, or a local
14 area in such consortium; and

15 “(II) the outcomes of partici-
16 pants in activities under this chapter
17 in the State, local area, or a local area
18 in the consortium that was awarded a
19 waiver prior to the award of such
20 waiver;

21 “(iii) conduct a qualitative analysis
22 that identifies any promising practices or
23 innovative strategies that—

24 “(I) would not have been con-
25 ducted without the waiving of statu-

1 tory or regulatory provisions through
2 the demonstration project; and

3 “(II) lead to positive employment
4 and earnings outcomes for the partici-
5 pants; and

6 “(iv) compare the outcomes for sub-
7 clauses (I) and (II) of clause (ii) with re-
8 spect to the subpopulations described in
9 section 116(d)(2)(B).

10 “(B) REPORT.—Not later than 2 years
11 after the fifth year of each demonstration
12 project approved under this section, the Sec-
13 retary shall submit to the Committee on Edu-
14 cation and the Workforce of the House of Rep-
15 resentatives and the Committee on Health,
16 Education, Labor, and Pensions, the results of
17 the evaluation of such conducted under this
18 paragraph.

19 “(c) DEMONSTRATION PERIOD; LIMITATIONS.—

20 “(1) IN GENERAL.—A demonstration project
21 approved under this section for a State, local area,
22 or consortium—

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

“(B) may be renewed for an additional 5-year demonstration period, if the State, local area, or consortium—

“(i) for each of the final 3 years of the preceding 5-year demonstration period, meets its expected levels of performance established under subsection (f)(1)(C); and

“(ii) on the final year of the preceding 5-year demonstration period, achieves a performance improvement of not less than an average of a 5-percent increase across all of the indicators of performance described in clauses (i) and (ii) of subsection (f)(1)(A), compared with—

“(I) the highest level of performance for the corresponding indicators of performance, as described in subsection (f)(1)(B)(i) with respect to such State, for the most recent program year that ended prior to the beginning of the first year of the preceding 5-year demonstration period; or

“(II) the alternate baseline level of performance for the corresponding

1 indicators of performance that is
2 agreed upon between the State and
3 the Secretary under subsection
4 (f)(1)(B)(ii).

5 “(2) LIMITATIONS.—

6 “(A) DEMONSTRATION PERIOD LIMITA-
7 TIONS.—For each 5-year demonstration period
8 (including renewals of such period) the Sec-
9 retary may not approve—

10 “(i) more than 8 demonstration
11 projects for States to carry out a dem-
12 onstration project described in subsection
13 (b)(1)(B)(i); and

14 “(ii) more than 8 demonstration
15 projects for local areas (or consortia of
16 local areas) to carry out a demonstration
17 project described in clause (ii) or (iii) of
18 subsection (b)(1)(B).

19 “(B) STATE LIMITATIONS.—No more than
20 1 demonstration project may be approved under
21 this section per State. For purposes of this sub-
22 paragraph, a demonstration project described in
23 clause (ii) or (iii) of subsection (b)(1)(B) ap-
24 proved for a local area or a consortium of local
25 areas, respectively, in a State shall be consid-

1 ered a demonstration project approved under
2 this section for the State.

3 “(d) APPLICATION.—

4 “(1) IN GENERAL.—To be eligible to carry out
5 a demonstration project under this section, a State
6 shall submit to the Secretary an application at such
7 time and in such manner as the Secretary may rea-
8 sonably require, and containing the information de-
9 scribed in paragraph (2).

10 “(2) CONTENT.—Each application submitted by
11 a State under this subsection shall include the fol-
12 lowing:

13 “(A) A description of the demonstration
14 project to be carried out under this section, in-
15 cluding—

16 “(i) whether the project will be car-
17 ried out—

18 “(I) by the State as a whole;

19 “(II) by a local area, and if so—

20 “(aa) an identification of—

21 “(AA) such local area;

22 “(BB) whether the
23 local board for such local
24 area is the fiscal agent for
25 the project, or whether the

1 local board has entered into
2 a written agreement with
3 the State for the State to
4 serve as the fiscal agent dur-
5 ing the project; and

6 “(bb) written verification
7 from the local board for such
8 local area that such local board
9 agrees—

10 “(AA) to carry out such
11 project; and

12 “(BB) to the fiscal
13 agent identified in item
14 (aa)(BB); and

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

17 “(aa) an identification of—

18 “(AA) each local area
19 that comprises the consor-
20 tium; and

21 “(BB) the local area
22 that will serve as the fiscal
23 agent for the consortium
24 during the project, or wheth-
25 er the consortium has en-

1 tered into a written agree-
2 ment with the State for the
3 State to serve as the fiscal
4 agent; and

5 “(bb) written verification
6 from each local board of each
7 local area identified in item
8 (aa)(AA) that such local board
9 agrees—

10 “(AA) to carry out such
11 project as a consortium; and

12 “(BB) to the fiscal
13 agent for the consortium
14 identified in item (aa)(BB);

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

17 “(iii) the goals the State, local area,
18 or consortium intends to achieve through
19 such activities, which shall be aligned with
20 the purpose described in subsection (a).

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

1 “(C) A description of how the State, local
2 area, or consortium consulted with employers,
3 the State board, and the local boards in the
4 State in determining the activities to carry out
5 under the demonstration project.

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

14 “(E) A description, if appropriate, of how
15 the State, local area, or consortium will inte-
16 grate the funds received, and the activities car-
17 ried out, under the demonstration project under
18 this section with State workforce development
19 programs and other Federal, State, or local
20 workforce, education, or social service programs
21 (including the programs and activities listed in
22 section 103(a)(2), the program of adult edu-
23 cation and literacy activities authorized under
24 title II, and the program authorized under title

1 I of the Rehabilitation Act of 1973 (29 U.S.C.
2 720 et seq.)).

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

6 “(3) SECRETARIAL APPROVAL.—

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

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

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

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

1 such application as required under subpara-
2 graph (A), the application and the demonstra-
3 tion project described in such application shall
4 be deemed approved by the Secretary.

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

9 “(i) a detailed explanation of why the
10 application does not meet the requirements
11 of this section; and

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

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

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

24 “(2) ADMINISTRATIVE COSTS LIMITATION.—
25 Use not more than 10 percent of the funds received

1 pursuant to subsection (b)(1)(B) for a fiscal year for
2 the administrative costs of carrying out the dem-
3 onstration project.

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

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

14 “(A) is greater than the number of partici-
15 pants served by such State, local area, or con-
16 sortium under the programs described in sub-
17 paragraph (A) of the definition of the term
18 ‘core program provision’ under section 3 for the
19 most recent program year that ended prior to
20 the beginning of the first year of the dem-
21 onstration period; or

22 “(B) is not less than the number of par-
23 ticipants to be served under the activities of the
24 demonstration project that is agreed upon be-

1 tween the State, local area, or consortium, and
 2 the Secretary—

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

6 “(ii) after the Secretary takes into ac-
 7 count—

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

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

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

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

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

24 “(B) the applicable requirements of section
 25 116(d)(2), including subparagraphs (B)

1 through (G) and subparagraph (J), as such
2 subparagraphs are applicable to activities under
3 the demonstration project.

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

7 “(f) PERFORMANCE ACCOUNTABILITY.—

8 “(1) ESTABLISHMENT OF BASELINE LEVEL
9 FOR PERFORMANCE.—

10 “(A) IN GENERAL.—Each State shall de-
11 scribe in the application submitted under sub-
12 section (d), for each year of the demonstration
13 period—

14 “(i) with respect to participants who
15 are at least 25 years old, the expected lev-
16 els of performance for each of the indica-
17 tors of performance under section
18 116(b)(2)(A)(i) for the activities carried
19 out under the project under this section,
20 which shall meet the requirements of sub-
21 paragraph (B); and

22 “(ii) with respect to participants who
23 are at least 16 years old and no older than
24 24 years old, the expected levels of per-
25 formance for each of the indicators of per-

1 formance under section 116(b)(2)(A)(ii)
2 for the activities carried out under the
3 project under this section, which shall meet
4 the requirements of subparagraph (B).

5 “(B) 5TH YEAR.—Each of the expected
6 levels of performance established pursuant to
7 subparagraph (A) for each of the indicators of
8 performance for the 5th year of the demonstra-
9 tion period shall be higher than—

10 “(i) the highest level of performance
11 for the corresponding indicator of perform-
12 ance for the programs described in sub-
13 paragraph (A) of the definition of the term
14 ‘core program provisions’ under section 3
15 for the most recent program year for such
16 State that ended prior to the beginning of
17 the first year of the demonstration period;
18 or

19 “(ii) an alternate baseline level of per-
20 formance that is agreed upon between the
21 State and the Secretary—

22 “(I) prior to the Secretary’s ap-
23 proval of the application submitted
24 under subsection (d); and

1 “(II) after the Secretary takes
2 into account—

3 “(aa) the goals the State in-
4 tends to achieve through the
5 demonstration project; and

6 “(bb) the participants the
7 State intends to serve under such
8 project.

9 “(C) AGREED LEVEL FOR PERFORMANCE
10 ON EXPECTED LEVELS OF PERFORMANCE.—
11 Prior to approving an application for a dem-
12 onstration project submitted by a State, and
13 using the expected levels of performance de-
14 scribed in such application, the Secretary shall
15 reach an agreement with such State on the ex-
16 pected levels of performance for each of the in-
17 dicators of performance. In reaching an agree-
18 ment on such expected levels of performance,
19 the Secretary and the State may consider the
20 factors described in section 116(b)(3)(A)(v).

21 “(2) SANCTIONS.—

22 “(A) IN GENERAL.—The sanctions de-
23 scribed in section 116(f)(1)(B) shall apply to a
24 State, local area, or consortium beginning on
25 the 3rd year of the demonstration period for

1 such State, local area, or consortium, except
2 that the levels of performance established under
3 subsection (f)(1)(C) of this section shall be—

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

7 “(ii) adjusted at the end of each pro-
8 gram year to reflect the actual characteris-
9 tics of participants served and the actual
10 economic conditions experienced using a
11 statistical adjustment model similar to the
12 model described in section
13 116(b)(3)(A)(viii).

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

18 “(3) IMPACT OF LOCAL OR CONSORTIUM DEM-
19 ONSTRATIONS ON STATEWIDE ACCOUNTABILITY.—
20 With respect to a State with an approved dem-
21 onstration project for a local area or consortium of
22 local areas in the State—

23 “(A) the performance of such local area or
24 consortium for the programs described in sub-
25 paragraph (A) of the definition of the term

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

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

○