

119TH CONGRESS
2D SESSION

S. _____

To establish a National Workforce Transition Board to support training and education activities for workers, in response to the adoption of artificial intelligence and emerging technology, and for other purposes.

IN THE SENATE OF THE UNITED STATES

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

A BILL

To establish a National Workforce Transition Board to support training and education activities for workers, in response to the adoption of artificial intelligence and emerging technology, 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 “National Workforce
5 Transition Fund Act of 2026”.

1 **SEC. 2. WORKFORCE TRANSITION.**

2 (a) IN GENERAL.—The Workforce Innovation and
3 Opportunity Act (29 U.S.C. 3101 et seq.) is amended by
4 striking title III and inserting the following:

5 **“TITLE III—WORKFORCE**
6 **TRANSITION**

7 **“SEC. 301. PURPOSE.**

8 “The purpose of this title is to assist workers, em-
9 ployers, and workforce development systems in navigating
10 the labor market transitions caused by increasing adoption
11 of artificial intelligence and emerging technology by cre-
12 ating a temporary, targeted National Workforce Transi-
13 tion Fund (referred to in this title as the ‘Fund’) that—

14 “(1) uses a funding mechanism tied to covered
15 artificial intelligence infrastructure rather than tax-
16 ing artificial intelligence usage or innovation di-
17 rectly;

18 “(2) provides resources for programs that—

19 “(A)(i) give priority for the activities to
20 workers experiencing or facing employment loss
21 or labor market disruption; and

22 “(ii) support transitions of workers into
23 stable employment; and

24 “(B) use administrable eligibility criteria
25 based on labor market indicators rather than
26 requiring individual workers to prove that arti-

1 ficial intelligence or emerging technology was
2 the sole or primary cause of the employment
3 loss or labor market disruption involved;

4 “(3) provides resources for workforce develop-
5 ment activities—

6 “(A) that support modernization of labor
7 market information systems, so policymakers
8 can better measure disruption due to artificial
9 intelligence or emerging technology, worker out-
10 comes, and job quality;

11 “(B) that expand access to training serv-
12 ices through individual training accounts;

13 “(C) that provide limited worker transition
14 assistance;

15 “(D) that support sectoral workforce part-
16 nerships, and training and credential pathways
17 that are portable, tied to labor market demand,
18 and connected to measurable outcomes; and

19 “(E) that provide grants to employers for
20 retention, redeployment, or responsible
21 transitioning of workers, and condition the
22 grants on workforce transition plans and com-
23 pacts that address planning for worker reten-
24 tion, redeployment, or responsible transitioning,

1 worker consultation, reporting, and recovery of
2 misused funds.

3 **“SEC. 302. DEFINITIONS.**

4 “In this title:

5 “(1) ARTIFICIAL INTELLIGENCE.—The term
6 ‘artificial intelligence’ has the meaning given the
7 term in section 5002 of the National Artificial Intel-
8 ligence Initiative Act of 2020 (15 U.S.C. 9401).

9 “(2) EMERGING TECHNOLOGY.—The term
10 ‘emerging technology’ has the meaning given the
11 term in section 6701 of the James M. Inhofe Na-
12 tional Defense Authorization Act of Fiscal Year
13 2023 (50 U.S.C. 3024 note).

14 “(3) SECRETARY.—The term ‘Secretary’, with-
15 out further description, means the Secretary of
16 Labor.

17 “(4) WORKER.—The term ‘worker’, without
18 further description, includes a student.

19 “(5) WORKFORCE INNOVATION AND OPPOR-
20 TUNITY ACT TERMS.—The terms ‘career pathway’,
21 ‘dislocated worker’, ‘in-demand industry sector or
22 occupation’, ‘institution of higher education’, ‘local
23 area’, ‘local board’, ‘recognized postsecondary cre-
24 dential’, ‘region’, ‘State’, ‘State board’, ‘training

1 services’, and ‘workforce development activities’ have
2 the meanings given the terms in section 3.

3 **“SEC. 303. NATIONAL WORKFORCE TRANSITION BOARD.**

4 “(a) ESTABLISHMENT.—The Secretary of Labor
5 shall establish in the Department of Labor a National
6 Workforce Transition Board (referred to in this title as
7 the ‘National Board’) to carry out the functions described
8 in subsection (c). The National Board shall be headed by
9 the Secretary of Labor, in consultation with the Secretary
10 of Education and the Secretary of Commerce.

11 “(b) MEMBERSHIP.—

12 “(1) IN GENERAL.—The National Board shall
13 include—

14 “(A) the Secretary of Labor, the Secretary
15 of Education, and the Secretary of Commerce;
16 and

17 “(B) members appointed by the Secretary
18 of Labor, in consultation with the Secretary of
19 Education and the Secretary of Commerce, of
20 which—

21 “(i) one-third shall be representatives
22 of businesses or industry, including rep-
23 resentatives of businesses or industry asso-
24 ciations from industry sectors affected by
25 adoption of artificial intelligence or emerg-

1 ing technology, such as sectors developing
2 emerging technology, undergoing occupa-
3 tional and task restructuring, or making
4 related labor market transitions;

5 “(ii) one-third shall be labor rep-
6 resentatives, including representatives of
7 labor organizations, worker organizations,
8 groups that have formed worker centers,
9 and organizations representing workers at
10 risk of employment loss or labor market
11 disruption due to the adoption of artificial
12 intelligence or emerging technology; and

13 “(iii) one-third shall be representa-
14 tives of government, workforce develop-
15 ment boards, and institutions of higher
16 education, which may include State and
17 local officials, and representatives of Fed-
18 eral agencies, State boards and local
19 boards, public or private institutions of
20 higher education including community col-
21 leges, economic development agencies, and
22 other public education or workforce devel-
23 opment agencies.

24 “(2) TERMS.—Each member of the National
25 Board shall serve for a term of 5 years.

1 “(c) FUNCTIONS.—The functions of the National
2 Board are to advise the Secretaries and provide informa-
3 tion to the public by—

4 “(1) developing an annual coordinated national
5 strategy that—

6 “(A) contains information, prepared or
7 compiled by the National Board, that—

8 “(i) provides a national workforce im-
9 pact assessment that evaluates how the de-
10 velopment and adoption of artificial intel-
11 ligence and emerging technology is impact-
12 ing the workforce;

13 “(ii) identifies occupations, industry
14 sectors, and geographic areas most likely
15 to experience change driven by artificial in-
16 telligence or emerging technology;

17 “(iii) forecasts emerging occupations
18 and skill requirements related to artificial
19 intelligence or emerging technology; and

20 “(iv) evaluates and assesses the effec-
21 tiveness of the workforce development sys-
22 tem, including labor market information
23 efforts, Federal programs, State programs,
24 programs of institutions of higher edu-
25 cation, and employer-led training initia-

1 tives, in supporting workers most likely to
2 experience change driven by artificial intel-
3 ligence and emerging technology;

4 “(B) contains the recommendations of the
5 National Board to the Secretaries—

6 “(i) for an annual Federal workforce
7 development plan for activities to be car-
8 ried out under section 305 with amounts
9 from the Fund, including—

10 “(I) incumbent worker training
11 programs;

12 “(II) programs that provide tui-
13 tion assistance for students receiving
14 education or training services; and

15 “(III) programs to strengthen
16 Federal and State labor market infor-
17 mation systems;

18 “(ii) about strategy, grantmaking pri-
19 orities, performance measures, and labor
20 market trends, and for annual reporting,
21 relevant to activities described in clause (i);
22 and

23 “(iii) the size of the amounts to be
24 used from the Fund for the activities de-
25 scribed in clause (i); and

1 “(C) contains the National Board’s assess-
2 ment of the effectiveness of the activities de-
3 scribed in subparagraph (B); and

4 “(2) publishing an annual report containing the
5 national strategy described in paragraph (1) and
6 submitting the report to the Secretaries.

7 “(d) PERSONNEL.—

8 “(1) COMPENSATION OF MEMBERS.—A member
9 of the National Board who is not an officer or em-
10 ployee of the Federal Government shall be com-
11 pensated at a rate equal to the daily equivalent of
12 the annual rate of basic pay prescribed for level IV
13 of the Executive Schedule under section 5315 of title
14 5, United States Code, for each day (including travel
15 time) during which the member is engaged in the
16 performance of the duties of the National Board.

17 “(2) TRAVEL EXPENSES.—The members of the
18 National Board shall be allowed travel expenses, in-
19 cluding per diem in lieu of subsistence, at rates au-
20 thorized for employees of agencies under subchapter
21 I of chapter 57 of title 5, United States Code, while
22 away from their homes or regular places of business
23 in the performance of services for the National
24 Board.

1 “(3) DETAIL OF GOVERNMENT EMPLOYEES.—
2 Any Federal Government employee of the Depart-
3 ment of Commerce, Education, or Labor may be de-
4 tailed to the National Board without reimbursement,
5 and such detail shall be without interruption or loss
6 of civil service status or privilege.

7 “(4) PROCUREMENT OF TEMPORARY AND
8 INTERMITTENT SERVICES OF EXPERTS.—

9 “(A) IN GENERAL.—The Secretary of
10 Labor, in consultation with the Secretary of
11 Education and the Secretary of Commerce, may
12 procure temporary and intermittent services of
13 experts to advise the National Board under sec-
14 tion 3109(b) of title 5, United States Code, at
15 rates for individuals which do not exceed the
16 daily equivalent of the annual rate of basic pay
17 prescribed for level V of the Executive Schedule
18 under section 5316 of such title.

19 “(B) TYPES OF EXPERTS.—Under sub-
20 paragraph (A), the Secretary of Labor may pro-
21 cure the temporary and intermittent services of
22 experts in labor economics, workforce data, arti-
23 ficial intelligence or emerging technology, edu-
24 cation, training, credentialing, regional eco-
25 nomic development, public sector workforce

1 needs, or the work of philanthropic entities that
2 support workforce development.

3 “(e) DEFINITION.—In this section, the term ‘Secre-
4 taries’ means the Secretary of Labor, the Secretary of
5 Education, and the Secretary of Commerce.

6 **“SEC. 304. NATIONAL WORKFORCE TRANSITION FUND.**

7 “(a) ESTABLISHMENT.—There is established within
8 the Treasury of the United States a Fund to be known
9 as the National Workforce Transition Fund, consisting of
10 amounts transferred to the Fund as provided in this sec-
11 tion or otherwise appropriated to the Fund.

12 “(b) TRANSFER.—The Secretary of the Treasury
13 shall make the transfers of amounts required by section
14 3(c) of the National Workforce Transition Fund Act of
15 2026.

16 “(c) FUND ADMINISTRATION.—

17 “(1) TRUSTEE.—The Secretary of the Treasury
18 shall be the trustee of the Fund.

19 “(2) INVESTMENT.—

20 “(A) IN GENERAL.—The Secretary of the
21 Treasury shall invest the portion of the Fund
22 that is not required to meet current with-
23 drawals.

24 “(B) INTEREST-BEARING OBLIGATIONS.—

25 The investments may be made only in interest-

1 bearing obligations of the United States that
2 are—

3 “(i) original issue at the issue price;

4 or

5 “(ii) outstanding obligations pur-
6 chased at market price.

7 “(C) ALIENABILITY.—Any obligation ac-
8 quired by the Fund may be sold by the Sec-
9 retary of the Treasury at the market price.

10 “(D) INVESTMENT INTEREST.—The inter-
11 est on and the proceeds from the sale or re-
12 demption of any obligation held in the Fund
13 shall be credited to the Fund.

14 “(d) USE OF FUNDS.—Amounts in the Fund shall
15 only be available as specified in section 305 and to the
16 extent provided for by appropriation Acts, for making ex-
17 penditures to carry out the provisions of section 305.

18 **“SEC. 305. USE OF FUNDS.**

19 “(a) IN GENERAL.—

20 “(1) PERMISSIBLE ACTIVITIES.—The Secretary
21 may use amounts from the Fund established under
22 section 304 to support—

23 “(A) modernization of labor market infor-
24 mation systems under subsection (b);

1 “(B) activities to assist workers in
2 transitioning into stable employment under sub-
3 section (c);

4 “(C) activities to assist employers with re-
5 tention, redeployment, or transitioning of work-
6 ers under subsection (d); and

7 “(D) pilot programs to further support
8 workers, improve employment retention, rede-
9 ployment, and transitioning outcomes, and
10 modernize labor market information systems
11 under subsection (e).

12 “(2) PRIORITY POPULATIONS.—

13 “(A) IN GENERAL.—In carrying out the
14 activities described in subsections (c) (other
15 than paragraph (3)), (d), and (e) the Secretary
16 shall give priority to workers who are experi-
17 encing or facing employment loss or other labor
18 market disruption, need support in
19 transitioning into stable employment, and are
20 from one or more priority populations con-
21 sisting of—

22 “(i) workers receiving unemployment
23 compensation;

24 “(ii) dislocated workers;

1 “(iii) workers whose hours, earnings,
2 or employment opportunities have materi-
3 ally declined;

4 “(iv) recent graduates from a sec-
5 ondary school or an institution of higher
6 education, or entry-level workers facing de-
7 clining hiring conditions;

8 “(v) workers in occupations, industry
9 sectors, or regions identified by the Sec-
10 retary as exposed to technological change,
11 animation, adoption of artificial intel-
12 ligence or emerging technology, occupa-
13 tional restructuring, or declining labor de-
14 mand; and

15 “(vi) workers seeking to transition
16 into in-demand industry sectors or occupa-
17 tions.

18 “(B) ELIGIBILITY OF WORKERS.—

19 “(i) IN GENERAL.—In order to receive
20 support through activities described in
21 paragraph (1), no worker shall be required
22 to show that artificial intelligence or
23 emerging technology was the sole or pri-
24 mary cause for the labor market disruption
25 affecting the worker.

1 “(B) types of workers who are affected by
2 the adoption of systems of artificial intelligence
3 or emerging technology; and

4 “(C) whether public interventions, related
5 to the impact of artificial intelligence or emerg-
6 ing technology, are improving employment,
7 earnings, and job quality.

8 “(2) INFORMATION SYSTEMS.—In carrying out
9 this subsection, the Secretary shall strengthen Fed-
10 eral and State labor market information systems, in-
11 cluding—

12 “(A) the nationwide workforce and labor
13 market information system described in section
14 15 of the Wagner-Peyser Act (29 U.S.C. 491-2);

15 “(B) any labor market information system
16 that the Bureau of Labor Statistics admin-
17 isters;

18 “(C) any labor market information system
19 that the Social Security Administration admin-
20 isters;

21 “(D) any labor market information system
22 that the Bureau of the Census administers;

23 “(E) State labor market information sys-
24 tems, including any State unemployment insur-
25 ance wage data system; and

1 “(F) any State system covering data from
2 localized statistical surveys.

3 “(3) STUDY.—

4 “(A) ALLOCATION OF FUNDS.—The Sec-
5 retary shall allocate and use \$3,000,000 from
6 the Fund to support—

7 “(i) a study that is conducted, and re-
8 ports that are prepared and submitted, di-
9 rectly or indirectly by the Secretary, under
10 this paragraph; and

11 “(ii) an implementation plan that is
12 prepared and submitted by the Secretary
13 under subparagraph (G).

14 “(B) COMPILATION OF INFORMATION.—
15 The study conducted under subparagraph (A)
16 shall—

17 “(i) identify gaps in, and make rec-
18 ommendations for, data collection for labor
19 market information systems, relating to in-
20 formation needed to address the adoption
21 of artificial intelligence or emerging tech-
22 nology, including information—

23 “(I) about emerging technology;

24 “(II) that permits occupational
25 data restructuring;

1 “(III) about entry-level hiring
2 and other hiring trends;

3 “(IV) about worker displacement;

4 “(V) about earning outcomes;

5 and

6 “(VI) about regional labor mar-
7 ket disruption; and

8 “(ii) evaluate and provide rec-
9 ommendations for—

10 “(I) integrating additional artifi-
11 cial intelligence questions into labor
12 market surveys;

13 “(II) continuing the incorpora-
14 tion of occupational classification sys-
15 tems into labor market reports;

16 “(III) linking cross-agency data
17 measurement to produce comprehen-
18 sive labor market reports;

19 “(IV) partnering with non-public
20 entities to produce additional public
21 use labor market statistics; and

22 “(V) increasing the frequency of
23 published labor market reports.

24 “(C) STATE RECORD MODERNIZATION.—

25 The study conducted under subparagraph (A)

1 shall include an assessment of State efforts to
2 modernize unemployment insurance wage data
3 systems and other workforce data infrastruc-
4 ture.

5 “(D) RECOMMENDATIONS.—As part of the
6 study conducted under subparagraph (A), the
7 Secretary shall prepare recommendations—

8 “(i) to Federal agencies and each
9 State for modernization of labor market in-
10 formation systems and related data collec-
11 tion by incorporating mixed methods of
12 data collecting, including collection of—

13 “(I) data from online job post-
14 ings;

15 “(II) private labor market data;

16 “(III) Federal statistical data;

17 “(IV) administrative data;

18 “(V) data from employer surveys;

19 “(VI) data from worker surveys;

20 and

21 “(VII) qualitative regional work-
22 force information; and

23 “(ii) about the amount of funds that
24 should be allocated from the Fund to carry
25 out activities under paragraph (4).

1 “(E) AGENCY COORDINATION.—In con-
2 ducting the study under subparagraph (A), the
3 Secretary shall coordinate activities with—

4 “(i) all Federal statistical agencies,
5 including the Bureau of Labor Statistics
6 and the Bureau of the Census; and

7 “(ii) the Social Security Administra-
8 tion.

9 “(F) REPORTS.—

10 “(i) INITIAL REPORT.—Not later than
11 90 days after the date of enactment of this
12 Act, the Secretary shall prepare and sub-
13 mit an initial report containing initial re-
14 sults of the study and recommendations
15 described in subparagraph (D) to—

16 “(I) all members of the National
17 Board;

18 “(II) all Federal agencies;

19 “(III) each State;

20 “(IV) the Committee on Health,
21 Education, Labor, and Pensions, the
22 Committee on Homeland Security and
23 Governmental Affairs, and the Com-
24 mittee on Finance, of the Senate; and

21

1 “(V) the Committee on Edu-
2 cation and Workforce, the Committee
3 on Oversight and Government Re-
4 form, and the Committee on Ways
5 and Means, of the House of Rep-
6 resentatives.

7 “(ii) INTERIM REPORT.—Not later
8 than 180 days after the date of enactment
9 of this Act, the Secretary shall prepare and
10 submit to the parties described in clause
11 (i) an interim report containing interim re-
12 sults of the study and recommendations
13 described in subparagraph (D).

14 “(G) IMPLEMENTATION PLAN.—Not later
15 than 12 months after the date of enactment of
16 this Act, the Secretary shall prepare and submit
17 an implementation plan to the parties described
18 in subparagraph (F)(i) that includes a timeline
19 and stated objectives to carry out this sub-
20 section.

21 “(4) MODERNIZATION ACTIVITIES.—

22 “(A) FUNDS.—On the date of submission
23 of the interim report under paragraph
24 (3)(F)(ii), the Secretary shall allocate from the
25 Fund an amount, based on the amount that the

1 study findings in that report recommend, to
2 carry out activities under this paragraph.

3 “(B) ACTIVITIES.—The Secretary may use
4 the amount to—

5 “(i) modernize Federal and State
6 labor market measurement and reporting;

7 “(ii) promote Federal and State labor
8 market information system modernization
9 activities that may include—

10 “(I) measuring occupational ex-
11 posure to artificial intelligence or
12 emerging technology, including task
13 automation;

14 “(II) analyzing changes in entry-
15 level employment;

16 “(III) analyzing hiring require-
17 ments;

18 “(IV) analyzing career pathways;

19 “(V) tracking worker displace-
20 ment, redeployment, reemployment,
21 and earning outcomes;

22 “(VI) analyzing regional impacts
23 of artificial intelligence or emerging
24 technology; and

1 “(VII) examining the relationship
2 between the adoption of artificial in-
3 telligence or emerging technology, pro-
4 ductivity, employment, wages, and job
5 quality; and

6 “(iii) create an enhanced wage record
7 grant program for each State to collect oc-
8 cupational data for job titles, hours
9 worked, and job locations, consistent with
10 privacy and data security laws.

11 “(c) WORKER TRANSITION ASSISTANCE AND OTHER
12 SERVICES.—

13 “(1) IN GENERAL.—The Secretary may use an
14 amount from the Fund for a project or services to
15 assist workers in transitioning into stable employ-
16 ment through access to training services through in-
17 dividual training accounts as described in paragraph
18 (2), credential pathways or programs funded
19 through education and training grants as described
20 in paragraph (3), sectoral workforce partnership
21 grants as described in paragraph (4), and supportive
22 services as described in paragraph (5).

23 “(2) ACCESS TO TRAINING SERVICES THROUGH
24 INDIVIDUAL TRAINING ACCOUNTS.—

25 “(A) GRANTS TO LOCAL AREAS.—

1 “(i) IN GENERAL.—The Secretary
2 shall make grants to local areas, from allo-
3 cations made under subparagraph (B), for
4 the provision of training services through
5 individual training accounts, as described
6 in section 134(c)(3)(F), to any worker eli-
7 gible under section 134(c)(3)(A), subject to
8 subsection (a)(2).

9 “(ii) EXCEPTION.—The eligibility re-
10 quirements under sections
11 134(c)(3)(A)(i)(III) and
12 134(c)(3)(A)(i)(IV), respectively, shall not
13 apply to workers under this paragraph.

14 “(B) ALLOCATION OF FUNDS.—Using the
15 sum the Secretary receives from the Fund
16 under paragraph (1) for services under this
17 paragraph for a fiscal year, the Secretary shall
18 allocate to each local area for that fiscal year
19 an amount that bears the same relationship to
20 that sum as the amount the local area receives
21 under section 133(b) for that fiscal year bears
22 to the total amount that all local areas so re-
23 ceive.

24 “(C) PROVIDERS.—

“(i) IN GENERAL.—The local area shall enter into agreements with eligible providers to provide training services under this paragraph, with funding provided through direct payments made through individual training accounts, pursuant to section 134(c)(3)(F)(iii).

“(ii) ELIGIBLE PROVIDERS.—To be eligible to enter into an agreement under this paragraph, a provider shall be an eligible provider of training services under section 122.

1 “(II) if the services lead to a rec-
2 ognized postsecondary credential, that
3 recognized postsecondary credential
4 and portability of such credential,

5 “(III) alignment of the services
6 with regional labor market needs; and

7 “(IV) cost to the local area and
8 consumer protection of workers.

9 “(3) EDUCATION AND TRAINING GRANTS FOR
10 CREDENTIALS IN IN-DEMAND INDUSTRY SECTORS OR
11 OCCUPATIONS.—

12 “(A) GRANTS TO STATES.—The Secretary
13 shall make grants to States to enable students
14 or incumbent workers, notwithstanding sub-
15 section (a)(2), to receive education or training
16 services at an institution of higher education or
17 from a provider of training services, and a cor-
18 responding associate or baccalaureate degree, or
19 other recognized postsecondary credential, in an
20 in-demand industry sector or occupation.

21 “(B) APPLICATIONS.—To be eligible to re-
22 ceive a grant under this paragraph, a State
23 shall submit an application to the Secretary at
24 such time, in such manner, and containing such
25 information as the Secretary may require.

1 “(C) TRANSFER TO STATE HIGHER EDU-
2 CATIONAL ENTITIES.—

3 “(i) IN GENERAL.—A State that re-
4 ceives a grant under subparagraph (A)
5 shall transfer the grant funds to the appro-
6 priate State higher education agency.

7 “(ii) ADMINISTRATION.—Upon trans-
8 fer of the grant funds under clause (i), the
9 State higher educational entity shall ad-
10 minister the grant under this paragraph.

11 “(iii) AUTHORITY.—

12 “(I) IN GENERAL.—The State
13 higher education agency shall carry
14 out the goals of the grant program de-
15 scribed in subparagraph (A) and
16 shall—

17 “(aa) require eligible institu-
18 tions and providers to provide
19 data specific to students or in-
20 cumbent workers, as applicable;

21 “(bb) make final decisions
22 on any dispute between an eligi-
23 ble institution or provider, and a
24 student or incumbent worker;
25 and

1 “(cc) undertake periodic as-
2 sessments of the overall success
3 of the grant program under sub-
4 paragraph (A) and recommend
5 modifications, interventions, and
6 other actions based on such an
7 assessment.

8 “(II) REGULATIONS.—The State
9 higher education agency may adopt
10 any regulation for the administration
11 of the grant program under subpara-
12 graph (A) as the State higher edu-
13 cation agency determines to be nec-
14 essary.

15 “(D) SUBGRANTS TO INSTITUTIONS OF
16 HIGHER EDUCATION AND PROVIDERS.—

17 “(i) IN GENERAL.—A State higher
18 education agency that administers a grant
19 under this paragraph shall use the grant
20 funds to make subgrants to institutions of
21 higher education or eligible providers of
22 training services under section 122.

23 “(ii) APPLICATIONS.—To be eligible
24 to receive a subgrant under this para-
25 graph, an institution or provider shall sub-

1 mit an application to the State higher edu-
2 cation agency at such time, in such man-
3 ner, and containing such information as
4 the State higher education agency may re-
5 quire, including, if the education or train-
6 ing services lead to a recognized postsec-
7 ondary credential other than a degree, in-
8 formation indicating the quality of the pro-
9 gram leading to the credential.

10 “(E) FUNDING FOR STUDENTS AND IN-
11 CUMBENT WORKERS.—An institution or pro-
12 vider that receives a subgrant under this para-
13 graph may use the subgrant funds to pay for
14 the cost of the education or training services
15 described in subparagraph (A), except that—

16 “(i) the institution or provider shall
17 select students or incumbent workers to
18 participate;

19 “(ii) a student or incumbent worker
20 who is selected and enrolls in the cor-
21 responding education or training services
22 program shall pay for $\frac{1}{3}$ of the cost of the
23 program on enrollment; and

1 “(iii) such a student or incumbent
2 worker who does not complete the program
3 shall pay for an additional $\frac{1}{3}$ of that cost.

4 “(4) SECTORAL WORKFORCE PARTNERSHIP
5 GRANTS.—

6 “(A) GRANTS TO STATES.—

7 “(i) IN GENERAL.—The Secretary
8 shall make grants to States to make sub-
9 grants to local boards under subparagraph
10 (B), to enter into agreements with eligible
11 entities as described in subparagraph
12 (C)—

13 “(I) to create, expand, or mod-
14 ernize a sectoral workforce partner-
15 ship; and

16 “(II) acting through that part-
17 nership, to assist workers with career
18 pathways tied to labor market de-
19 mand.

20 “(ii) APPLICATIONS.—To be eligible
21 to receive a grant under this paragraph, a
22 State shall submit an application to the
23 Secretary at such time, in such manner,
24 and containing such information as the
25 Secretary may require.

1 “(B) SUBGRANTS TO LOCAL BOARDS.—

2 “(i) IN GENERAL.—A State that re-
3 ceives a grant under subparagraph (A)
4 shall use the grant funds to make sub-
5 grants to local boards, to enable the local
6 boards to enter into agreements under sub-
7 paragraph (C).

8 “(ii) APPLICATIONS.—To be eligible
9 to receive a subgrant under this para-
10 graph, a local board shall submit an appli-
11 cation to the State at such time, in such
12 manner, and containing such information
13 as the State may require, including an as-
14 surance that the local board will coordinate
15 activities under the subgrant with the ac-
16 tivities of the local boards carrying out
17 similar activities under this paragraph in
18 the States.

19 “(C) AGREEMENTS WITH ELIGIBLE ENTI-
20 TIES.—

21 “(i) IN GENERAL.—A local board that
22 receives a subgrant under this paragraph
23 shall use the subgrant funds to enter into
24 agreements with eligible entities.

1 “(ii) ELIGIBLE ENTITIES.—To be eli-
2 gible to enter into an agreement under this
3 paragraph, an entity shall—

4 “(I) relate to—

5 “(aa) an in-demand industry
6 sector or occupation; or

7 “(bb) an industry with high
8 growth potential, as determined
9 by the local board; and

10 “(II) consist of, or propose to
11 create, a partnership of at least 3 of
12 the following organizations—

13 “(aa) employers;

14 “(bb) labor organizations or
15 other worker organizations;

16 “(cc) State boards;

17 “(dd) local boards;

18 “(ee) community colleges or
19 institutions of higher education;

20 “(ff) sponsors of apprentice-
21 ship programs;

22 “(gg) economic development
23 agencies; or

24 “(hh) workforce inter-
25 mediaries.

1 “(iii) APPLICATIONS.—To be eligible
2 to enter into an agreement under this
3 paragraph, an eligible entity shall submit
4 an application to the local board at such
5 time, in such manner, and containing such
6 information as the local board may require,
7 including, if the career pathway or other
8 program to be provided leads to an indus-
9 try-recognized credential, information indi-
10 cating the quality of the pathway or pro-
11 gram leading to the credential.

12 “(iv) PRIORITY.—In determining
13 which entities to enter into agreements
14 with under this paragraph, a local board
15 shall give priority to entities that—

16 “(I) serve workers experiencing
17 or facing employment loss or labor
18 market disruption;

19 “(II) provide portable industry-
20 recognized credentials;

21 “(III) propose a program with
22 employer commitments to interview,
23 hire, retain, redeploy, or advance indi-
24 viduals who complete the program;

1 “(IV) propose a program that in-
2 cludes labor organization or worker
3 organization participation; or

4 “(V) propose a program that
5 supports jobs that provide wages suf-
6 ficient for economic security or a cred-
7 ible pathway to such wages.

8 “(v) USE OF FUNDS.—An entity that
9 enters into an agreement under this para-
10 graph may use the funds provided through
11 the agreement—

12 “(I) to assist workers in pursuing
13 career pathways that are tied to real
14 labor market demand and in—

15 “(aa) in-demand industry
16 sectors and occupations that are
17 important to regional or national
18 economic resilience, including in-
19 demand industry sectors and oc-
20 cupations that face persistent
21 shortages of workers; or

22 “(bb) industry sectors and
23 occupations where wages, on the
24 date of the application of the en-
25 tity, are low, if funding for the

1 pathways or program is tied to
2 measurable improvements in
3 wages, benefits, career advance-
4 ment, retention, or job quality,
5 for workers; or

6 “(II) to carry out a limited port-
7 able artificial intelligence or emerging
8 technology skills credential pilot pro-
9 gram—

10 “(aa) to develop and provide
11 training relating to common
12 baseline artificial intelligence or
13 emerging technology skill stand-
14 ards with related credentials, to
15 provide career pathways in in-de-
16 mand industry sectors and occu-
17 pations described in item (aa) or
18 (bb) of subclause (I); and

19 “(bb) to assess whether the
20 standards would improve worker
21 mobility, reduce duplicative em-
22 ployer training, and make such
23 credentials more transparent and
24 useful across businesses, occupa-
25 tions, and industry sectors.

1 “(5) PROVISION OF SUPPORTIVE SERVICES.—

2 The Secretary shall, in consultation with the Na-
3 tional Board, develop supportive services to directly
4 support workers participating in an activity under
5 this subsection or subsection (e), and provide the
6 services, which may include—

7 “(A) housing;

8 “(B) child care;

9 “(C) transportation;

10 “(D) health benefits; and

11 “(E) any other service the Secretary deter-
12 mines to be necessary to support such workers
13 during the transition period.

14 “(6) STATE HIGHER EDUCATION AGENCY.—As
15 used in this subsection, the term ‘State higher edu-
16 cation agency’ has the meaning given the term in
17 section 103 of the Higher Education Act of 1965
18 (20 U.S.C. 1003).

19 “(d) EMPLOYER RETENTION, REDEPLOYMENT, OR
20 TRANSITIONING GRANTS.—

21 “(1) IN GENERAL.—The Secretary may use an
22 amount from the Fund for a project that supports
23 employers in retaining, redeploying, or responsibly
24 transitioning covered workers, through workforce
25 transition plans that promote accountability, worker

1 consultation, reporting requirements, and recovery of
2 misused funds.

3 “(2) GRANTS TO STATES AND LOCAL
4 BOARDS.—

5 “(A) IN GENERAL.—The Secretary, in car-
6 rying out the project described in paragraph
7 (1), shall make grants to States and local
8 boards to make subgrants to employers under
9 this subsection.

10 “(B) APPLICATIONS.—To be eligible to re-
11 ceive a grant under this subsection, a State or
12 local board shall submit an application to the
13 Secretary at such time, in such manner, and
14 containing such information as the Secretary
15 may require.

16 “(3) SUBGRANTS TO EMPLOYERS.—

17 “(A) IN GENERAL.—A State or local board
18 that receives a grant under this subsection shall
19 use the grant funds to make subgrants to em-
20 ployers to support the employers in carrying out
21 initiatives to assist covered workers as described
22 in paragraph (1).

23 “(B) WORKFORCE TRANSITION PLANS.—
24 To be eligible to receive a subgrant under this
25 paragraph from a State or local board, an em-

1 ployer shall submit a workforce transition plan
2 to the State or local board, respectively, at such
3 time, in such manner, and containing such in-
4 formation as the State or local board may re-
5 quire, including—

6 “(i) the artificial intelligence or
7 emerging technology workforce transition
8 compact, described in subparagraph (C),
9 that the employer has entered into with
10 the Secretary;

11 “(ii) information identifying the co-
12 hort of covered workers to be served under
13 the initiative;

14 “(iii) information describing how arti-
15 ficial intelligence or emerging technology is
16 changing job design or staffing needs for
17 covered workers in that cohort;

18 “(iv) information identifying how the
19 employer will prioritize retention, redeploy-
20 ment, or responsible transitioning, over
21 layoffs, for covered workers in that cohort;

22 “(v) an explanation of how the em-
23 ployer will use the subgrant funds through
24 the initiative to support paid training, in-
25 ternal redeployment, career navigation

1 services, credentialing, placement support,
2 wage support, or supportive services, for
3 covered workers in that cohort; and

4 “(vi) if the initiative to be provided
5 leads to an industry-recognized credential,
6 information indicating the quality of the
7 initiative leading to the credential.

8 “(C) WORKFORCE TRANSITION COM-
9 PACT.—

10 “(i) IN GENERAL.—An employer seek-
11 ing a subgrant under this subsection shall
12 enter into a workforce transition compact
13 with the Secretary.

14 “(ii) PROVISIONS.—The compact shall
15 include provisions relating to the initiative
16 that—

17 “(I) specify retention, redeploy-
18 ment, or responsible transitioning tar-
19 gets for the employer;

20 “(II) establish procedures for no-
21 tice to and consultation with the cov-
22 ered workers served under the
23 subgrant;

1 “(III) establish wage and benefit
2 standards for redeployed covered
3 workers;

4 “(IV) establish procedures for re-
5 porting on the outcomes of the cov-
6 ered workers served through the ini-
7 tiative, and the job changes, related to
8 adoption of artificial intelligence or
9 emerging technology, of the covered
10 workers; and

11 “(V) establish procedures for re-
12 covery of subgrant funds if the em-
13 ployer fails to satisfy the requirements
14 of this subparagraph or subparagraph
15 (B), respectively.

16 “(4) COVERED WORKER.—In this subsection,
17 the term ‘covered worker’ means (subject to sub-
18 section (a)(2)) a worker whose job is expected by the
19 employer to be materially affected by adoption of ar-
20 tificial intelligence or emerging technology, or by a
21 related significant task redesign.

22 “(e) PILOT PROGRAMS.—

23 “(1) IN GENERAL.—The Secretary shall, in con-
24 sultation with the National Board, use an amount
25 from the Fund to carry out a limited pilot program,

1 to make grants to eligible entities for projects of the
2 activities described in subsection (b), (c), or (d).

3 “(2) ELIGIBLE ENTITIES.—To be eligible to re-
4 ceive such a grant, the entity involved shall dem-
5 onstrate that the grant funding will support the de-
6 velopment and carrying out of—

7 “(A) projects that directly support work-
8 ers, which may include projects that provide—

9 “(i) wage insurance;

10 “(ii) unemployment benefits;

11 “(iii) portable benefits;

12 “(iv) technology training and edu-
13 cation;

14 “(v) job licensing;

15 “(vi) apprenticeships; or

16 “(vii) any other activity the Secretary
17 determines to be necessary to support
18 workers during the period in which the
19 workers are transitioning into stable em-
20 ployment;

21 “(B) projects that improve employment
22 transition outcomes for the workers; or

23 “(C) projects that modernize labor market
24 information systems and related workforce
25 data.

1 “(f) SUPPLEMENT NOT SUPPLANT.—Amounts made
2 available from the Fund to carry out this shall supplement
3 and not supplant other Federal, State, local, or private
4 workforce investments, including employer labor market
5 investments, expended to carry out the activities described
6 in subsection (a)(1).

7 “(g) EVALUATION AND REPORTING.—

8 “(1) PERFORMANCE MEASURES FOR ACTIVI-
9 TIES.—

10 “(A) ESTABLISHMENT.—The Secretary,
11 coordinating activities with the Secretary of
12 Education, the Secretary of Commerce, and the
13 National Board, shall establish performance
14 measures, with indicators and levels of perform-
15 ance, for the activities carried out under sub-
16 sections (c), (d), and (e). The performance
17 measures shall indicate results of the activities
18 (including worker outcomes) relating to employ-
19 ment, reemployment, retention, redeployment,
20 earnings, credential completion, job quality, em-
21 ployer participation, regional impacts, and out-
22 comes for priority populations.

23 “(B) DATA COLLECTION.—Recipients of
24 grants under subsection (c) or (e) and employ-
25 ers who are recipients of subgrants under sub-

1 section (d) shall collect data from the grant or
2 subgrant activities on the performance meas-
3 ures, prepare reports summarizing the data,
4 and submit the reports to the Secretary.

5 “(2) STUDY AND REPORT BY SECRETARY.—

6 “(A) STUDY.—The Secretary shall conduct
7 a study on the amount of transfers into and ex-
8 penditures from the Fund, on grants awarded
9 under this title, and on the impact of the activi-
10 ties carried out under this title relating to
11 workers served, levels of employer participation
12 and compliance, workforce outcomes, and labor
13 market trends.

14 “(B) SOURCES.—In conducting the study,
15 the Secretary shall consider data from reports
16 on performance measures under paragraph
17 (1)(B), from the Federal labor market informa-
18 tion system, from unemployment insurance
19 wage data systems and wage records, informa-
20 tion on industry sector trends, and analysis by
21 researchers from institutions of higher edu-
22 cation that are not involved in the activities car-
23 ried out under this section.

24 “(C) REPORT.—The Secretary shall pre-
25 pare and submit to Congress a report con-

1 taining the results of the study, and rec-
2 ommendations for carrying out further activities
3 to address the adoption of artificial intelligence
4 or emerging technology. In presenting data in
5 the report, or any other report prepared under
6 this title, the Secretary shall present aggregate
7 data without personally identifiable information,
8 shall protect confidential business information
9 and trade secrets, and shall protect worker pri-
10 vacy.

11 “(3) REVIEW AND REPORT BY COMPTROLLER
12 GENERAL.—

13 “(A) REVIEW.—The Comptroller General
14 of the United States shall, not later than 3
15 years after the date of enactment of the Na-
16 tional Workforce Transition Fund Act of 2026,
17 carry out a review of the activities carried out
18 under this title. In carrying out the review, the
19 Comptroller shall assess program effectiveness,
20 employer reporting, requirements for recovery
21 of misused funds, data modernization, distribu-
22 tion of benefits, and opportunities for improve-
23 ment.

24 “(B) REPORT.—The Comptroller General
25 shall prepare a report containing the results of

1 the review and submit the report to the Presi-
2 dent, the Committee on Health, Education,
3 Labor, and Pensions of the Senate, and the
4 Committee on Education and Workforce of the
5 House of Representatives.

6 **“SEC. 306. CONSIDERATION OF EXTENSION, MODIFICATION,**
7 **AND TERMINATION.**

8 “(a) REVIEW.—The Secretary of Labor, after con-
9 sultation with the National Board, the Secretary of the
10 Treasury, the Comptroller General of the United States,
11 and the heads of other relevant Federal agencies, shall
12 conduct a review assessing whether—

13 “(1) labor market conditions warrant extending,
14 modifying, or terminating the provisions of this title
15 and section 3, and the amendments made by section
16 3, of the National Workforce Transition Fund of
17 2024; and

18 “(2) revenue from the Fund should continue to
19 be dedicated to carry out, in response to the adop-
20 tion of artificial intelligence and emerging tech-
21 nology—

22 “(A) modernization of labor market infor-
23 mation systems;

24 “(B) activities to assist workers to transi-
25 tion into employment; or

1 “(C) activities to assist employers with re-
2 tention, redeployment, or transitioning of work-
3 ers.

4 “(b) REPORT.—

5 “(1) CONTENTS.—Not earlier than 4 years or
6 later than 5 years after the date of enactment of the
7 National Workforce Transition Fund Act of 2026,
8 the Secretary shall prepare a report containing—

9 “(A) the results of the review; and

10 “(B) recommendations about that exten-
11 sion, modification, or termination, including
12 whether any such extension should be based on
13 labor market indicators, and, if so, which labor
14 market indicators Congress should consider.

15 “(2) SUBMISSION.—The Secretary shall submit
16 the report to the appropriate committees of Con-
17 gress and the President.

18 “(3) DEFINITION.—In this subsection, the term
19 ‘appropriate committees of Congress’ means—

20 “(A) the Committee on Ways and Means
21 and the Committee on Education and Work-
22 force of the House of Representatives; and

23 “(B) the Committee on Finance and the
24 Committee on Health, Education, Labor, and
25 Pensions of the Senate.”.

1 (b) TABLE OF CONTENTS.—The table of contents in
 2 section 1(b) of the Workforce Innovation and Opportunity
 3 Act is amended by striking the items relating to title III
 4 and inserting the following:

“TITLE III—WORKFORCE TRANSITION

“Sec. 301. Purpose.

“Sec. 302. Definitions.

“Sec. 303. National Workforce Transition Board.

“Sec. 304. National Workforce Transition Fund.

“Sec. 305. Use of funds.

“Sec. 306. Consideration of extension, modification, or extension.”.

5 **SEC. 3. EXEMPTING AI DATA CENTERS FROM BONUS DE-**
 6 **PRECIATION.**

7 (a) IN GENERAL.—Section 168(k) of the Internal
 8 Revenue Code of 1986 is amended—

9 (1) in paragraph (9)—

10 (A) in subparagraph (A), by striking “or”
 11 at the end,

12 (B) in subparagraph (B), by striking the
 13 period at the end and inserting “, or”, and

14 (C) by adding at the end the following new
 15 subparagraph:

16 “(C) any property used in an AI data cen-
 17 ter.”, and

18 (2) by adding at the end the following new
 19 paragraph:

20 “(11) AI DATA CENTER.—

21 “(A) IN GENERAL.—For purposes of para-
 22 graph (9)(C), the term ‘AI data center’ means

1 a permanent or semipermanent structure, or
2 group of such structures, which—

3 “(i) are dedicated to—

4 “(I) the centralized accommoda-
5 tion, interconnection, and operation of
6 information technology and network
7 telecommunications equipment (in-
8 cluding not less than 1 graphics proc-
9 essing unit), and

10 “(II) providing data storage,
11 processing, and transport services,
12 and

13 “(ii) at least 20 percent of which is
14 used for developing or operating artificial
15 intelligence.

16 “(B) DEFINITIONS.—For purposes of sub-
17 paragraph (A)—

18 “(i) GRAPHICS PROCESSING UNIT.—
19 For purposes of subparagraph (A), the
20 term ‘graphic processing unit’ means a
21 specialized electronic circuit designed to
22 accelerate image rendering, graphics proc-
23 essing, and parallel computation tasks.

24 “(ii) ARTIFICIAL INTELLIGENCE.—
25 The term ‘artificial intelligence’ has the

1 meaning given such term in section 5002
2 of the National Artificial Intelligence Ini-
3 tiative Act of 2020 (15 U.S.C. 9401).”.

4 (b) APPLICATION OF LEASED PROPERTY RULES TO
5 AI DATA CENTERS.—Section 168 of the Internal Revenue
6 Code of 1986 is amended by adding at the end the fol-
7 lowing new subsection:

8 “(o) APPLICATION OF LEASED PROPERTY RULES TO
9 AI DATA CENTERS.—In the case of any AI data center
10 (as defined in subsection (k)(11)) which is subject to a
11 lease, the depreciation deduction provided by section
12 167(a) shall be determined pursuant to the rules under
13 section 1.167(a)–11(e)(3)(iii) of title 26, Code of Federal
14 Regulations (as in effect on the date of enactment of this
15 subsection).”.

16 (c) TRANSFER TO NATIONAL WORKFORCE TRANSI-
17 TION FUND.—

18 (1) IN GENERAL.—The Secretary of the Treas-
19 ury (or the Secretary’s delegate) shall, on an annual
20 basis, transfer to the National Workforce Transition
21 Fund (as established under section 304 of the Work-
22 force Innovation and Opportunity Act), from
23 amounts in the general fund of the Treasury of the
24 United States, an amount determined by the Sec-
25 retary of the Treasury (or the Secretary’s delegate)

1 to be equal to the increase in revenue for the pre-
2 ceding 12-month period by reason of the amend-
3 ments made by subsections (a) and (b).

4 (2) TERMINATION.—Paragraph (1) shall not
5 apply after the date which is 5 years after the date
6 of enactment of this Act.

7 (d) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to property placed in service after
9 the date of enactment of this Act.

10 **SEC. 4. TERMINATION.**

11 (a) BONUS DEPRECIATION.—The authority provided
12 by section 3 terminates on the day that is 5 years after
13 the date of enactment of this Act.

14 (b) WORKFORCE DEVELOPMENT ACTIVITIES.—The
15 authority provided by this Act (other than section 3) and
16 the amendments made by section 2 terminates on the day
17 that is 5 years after the date of enactment of this Act.