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SENATE

{ REPORT
119-55

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES,
AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 2026

JULY 31, 2025.—Ordered to be printed

Mrs. CAPITO, from the Committee on Appropriations,
submitted the following

REPORT

[To accompany S. 2587]

The Committee on Appropriations reports an original bill (S. 2587) making appropriations for Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2026, and for other purposes, reports favorably thereon without amendment and recommends that the bill do pass.

Amounts to new budget authority

Total of bill as reported to the Senate..... \$1,713,436,053,000

TITLE I

DEPARTMENT OF LABOR

Any references in this title of the report to the “Secretary” or the “Department” shall be interpreted to mean the Secretary of Labor or the Department of Labor, respectively, unless otherwise noted.

EMPLOYMENT AND TRAINING ADMINISTRATION

TRAINING AND EMPLOYMENT SERVICES

| | |
|--------------------------------|-----------------|
| Appropriations, 2025 | \$3,898,587,000 |
| Committee recommendation | 3,977,088,000 |

The Training and Employment Services [TES] account provides funding primarily for activities under the Workforce Innovation and Opportunity Act [WIOA] (Public Law 113–128), and is a decentralized, integrated system of skill training and related services designed to enhance the employment and earnings of economically disadvantaged and dislocated workers. Funds provided for many training programs for fiscal year 2026 will support the program from July 1, 2026, through June 30, 2027. A portion of this account’s funding, \$1,772,000,000, becomes available on October 1, 2026, for the 2026 program year.

Advanced Robotics Manufacturing.—The Committee recognizes the need for workforce training and certificate programs targeting collaborative robotics and additive manufacturing to adequately prepare the current and future workforce for the challenges of tomorrow. The Committee encourages the Department to appropriately address this need through the prioritization of such programs, with an emphasis on programs that re-skill incumbent manufacturing workers.

Apprenticeship Grants.—The Committee supports the expansion of apprenticeship opportunities and notes that they can often provide more affordable pathways to high-paying jobs. Not later than 180 days after the enactment of this act, the Department shall publicly disclose on its website grantees receiving funding under the Apprenticeship Program from the previous program year, the number of apprentices attributable to each grantee, and the respective employment and earnings outcomes of program participants as required under section 116(b)(2)(A)(i) of WIOA. The Committee directs the Department to provide information related to apprenticeship grants, including all currently active grants and contracts, and data dashboards that allow for search and comparison of such data, including data on credentials earned through or as a result of apprenticeships. The Department shall make updates to apprenticeship.gov at least quarterly and shall include up to date information on grants and contracts. Additionally, the Department shall report to the Committee on the extent to which it is engaging with the

Department of Education to address mismatches between worker skills or their participation in the labor force and employer needs and the steps that the Department has taken or plans to take to study the drivers of skills' mismatches, workforce shortages, productivity fluctuations, turnover fluctuations, stagnant wages, and poor working conditions across occupations, industries, and the economy as a whole.

Communities Affected by Substance Use.—The Committee continues to encourage the Secretary to prioritize funding for grants to serve or retrain workers in communities impacted by the health and economic effects of widespread substance use, including methamphetamine use, addiction, and overdose.

Creative Economy.—The Committee recognizes that the creative economy was severely impacted by COVID-19 and encourages the Department to partner with the National Endowment for the Arts and the National Endowment for the Humanities to explore the feasibility and expansion of Registered Apprenticeship programs for creative workers who previously received income through creative, cultural, or artistic-based pursuits to produce ideas, content, goods, and services, without regard to whether such income is earned through employment as an independent contractor or as an employee for an employer.

Improving Access to Available Benefits.—The Committee recognizes that one-stop customers often face significant barriers to pursuing training and employment, including lack of access to quality childcare, food and nutrition, and medical services. Further, the Committee is concerned that the complexity of supportive services program eligibility requirements and application processes may discourage enrollment. To optimize use of Federal funds, the Committee encourages the Department, in coordination with the Department of Education and the Department of Health and Human Services, to provide guidance on informing one-stop center customers about the availability, including eligibility requirements, of supportive services or assistance, including Medicaid, the Supplemental Nutrition Assistance Program, the Earned Income Tax Credit, the Child Tax Credit, and the Temporary Assistance for Needy Families Program, and on referring customers to such services or assistance. Further, guidance should clarify how one-stops can assist customers in establishing eligibility for financial aid assistance programs related to education and training programs that are funded outside of WIOA.

Interconnected Workforce Development Technology.—The Committee encourages the Department to consider a unified approach to workforce development by encouraging States to develop digital, interconnected systems of technologies, maintained by State Workforce Agencies, to support the growth of skills-based hiring and competency-based education in order to increase credential completion and labor force participation.

Laboratory Technicians.—The Committee is concerned by the Nationwide shortage of trained laboratory technicians. BLS projects 12,000 new medical laboratory technicians are needed each year to meet growing demand. According to the American Society for Clinical Laboratory Science, programs currently graduate just 5,000 laboratorians each year. The Committee encourages the Sec-

retary to make funding available to increase the number of qualified laboratory technicians through workforce development.

Modernizing Workforce Development Programming and Serving Underemployed Workers.—The Committee encourages ETA to collaborate with State workforce agencies to modernize workforce development programming. The Committee is also concerned about the continued difficulty of underemployed workers transitioning to full employment and encourages ETA to explore new avenues for training, including the use of virtual resources. As part of this effort, ETA should consider the time constraints of underemployed workers who may work multiple jobs or have caretaking responsibilities that limit their ability to utilize the existing resources provided by ETA. Finally, the Committee further encourages the Department to develop a comprehensive long-term strategy for the delivery of online training and development programming.

Opportunity Youth.—The Committee continues to encourage the Department to use funds provided to carry out sections 168(b) and 169(c) of WIOA, which may be used for technical assistance and demonstration projects, to support demonstration programs that allow at-risk youth who are out-of-school, have limited work experience, and live in communities experiencing high rates of unemployment and high rates of community violence, to participate in the workforce, including programs that provide such youth with mentoring services.

Public Libraries.—The Committee continues to encourage ETA to expand its collaborative work with the Institute of Museum and Library Services [IMLS] to help States and local boards integrate the education, employment, and training services provided by public libraries into the workforce development system. Libraries can play a critical role in helping people access benefits and get back to work and the Committee encourages ETA to work with IMLS to identify barriers to libraries participating in programs funded under WIOA and to develop a plan to address those barriers. The Committee requests a briefing on the plan to identify and address barriers to libraries participating in programs under WIOA as encouraged in Senate Report 118–84.

Pursue Workforce Data Linkages.—The Committee directs the Department, in coordination with the Department of Health and Human Services, the Department of Education, and other Federal agencies that support workforce development programs and that hold nationwide earnings data, to submit a report to Congress within 360 days of enactment on how to improve data quality and transparency regarding participation in and outcomes from Federal education and training programs, including but not limited to WIOA, and including pre-participation earnings and employment measures as well as outcomes reporting beyond a single year post-exit, while also protecting privacy. The Departments should seek input from States, data-linkage experts, including members of the Advisory Committee on Data for Evidence-Building, with knowledge of practices for linking client data with Federal and State earnings data, data privacy experts, and other relevant stakeholders. The report should explain what steps can be taken under current law to implement modernized data infrastructure for workforce development programs, barriers presented by current stat-

utes, regulations, and guidance, as well as legislative changes that would be necessary to overcome those barriers. The report should also include steps the Department has taken to implement recommendations from the Advisory Committee on Data for Evidence Building's October 2022 final report.

Railroad Workforce Development.—The Committee is concerned about the workforce needs in the railroad and transit sectors. The Committee encourages the Department to expand workforce development opportunities to address the growing need for additional workers in the railroad and transit sectors. The Committee encourages the Department to work with the Department of Transportation and other Federal agencies to support educational opportunities and workforce training opportunities for high-skill, high-wage, and high-growth railroad and transit jobs in economically disadvantaged areas.

Small Businesses.—The Committee encourages the Department to support the employment needs of small businesses and entrepreneurial skills training through WIOA programs, particularly in underserved, disadvantaged communities.

Submarine Construction Workforce.—The Committee continues to encourage ETA to collaborate with the Departments of Defense and Education to address critical workforce needs in the submarine construction pipeline.

Technology Usage for Workforce Interview Preparation.—The Committee recognizes the critical role of interview preparation programs in supporting unemployed individuals, including opportunity youth, parents, veterans, individuals with disabilities, and formerly incarcerated individuals—as they transition into the workforce. The Committee encourages ETA to collaborate with state workforce agencies to prioritize partnerships with providers utilizing digital interview preparation programs to enhance workforce readiness, mitigate persistent unemployment challenges, and reduce strain on unemployment benefit resources, resulting in substantial cost savings for States.

Water and Wastewater Operators.—The Committee continues to be concerned by the Nationwide shortage of water and wastewater operators, particularly in rural areas, and continues to strongly urge the Secretary to make funding available through workforce development and apprenticeship activities funded under this bill for registered apprenticeship programs consistent with National Guideline Standards of Apprenticeship for Water and Wastewater System Operations Specialists and WIOA. The Committee continues to direct the Department to highlight the availability of funding opportunities that may support such activities, and to provide technical assistance and outreach to potential grantees with an emphasis on sectors that are underrepresented in the apprenticeship program and that have demonstrated shortages of workers.

Grants to States

The Committee provides \$2,919,332,000 for Training and Employment Services Grants to States.

Under WIOA, a local board is given up to 100 percent transfer authority between Adult and Dislocated Worker activities upon approval of the Governor.

Adult Employment and Training.—The Committee provides \$875,649,000 for adult employment and training. Formula funding is provided to States and further distributed to local workforce investment areas through one-stop centers. The program provides employment and training services to disadvantaged, low-skilled, unemployed, and underemployed adults, including veterans.

Funds are made available in this bill for adult employment and training activities in program year 2026, which occurs from July 1, 2026, through June 30, 2027. The bill provides that \$163,649,000 is available for obligation on July 1, 2026, and that \$712,000,000 is available on October 1, 2026. Both categories of funding are available for obligation through June 30, 2027.

Dislocated Worker Assistance.—The Committee provides \$1,095,553,000 for dislocated worker assistance. This program is a State-operated effort that provides training services and support to help permanently separated workers reskill to return to productive unsubsidized employment. In addition, States must use State-wide reserve funds for rapid response assistance to help workers affected by mass layoffs and plant closures. States must also use these funds to carry out additional State-wide employment and training activities, such as providing technical assistance to certain low-performing local areas, evaluating State programs, and assisting with the operation of one-stop delivery systems. States may also use funds for implementing innovative training programs.

Funds made available in this bill support activities in program year 2026, which occurs from July 1, 2026, through June 30, 2027. The bill provides that \$235,553,000 is available for obligation on July 1, 2026, and that \$860,000,000 is available on October 1, 2026. Both categories of funding are available for obligation through June 30, 2027.

Timely Disbursement of Formula Funds.—The Committee notes the importance of grant recipients receiving timely access to formula funds. Therefore, the Committee directs the Department to obligate formula funding in a timely manner, following the agency's historical timelines for such funds.

Youth Training.—The Committee provides \$948,130,000 for youth training. The purpose of this program is to provide low-income youth who are facing barriers to employment with services that prepare them to succeed in the knowledge-based economy. Funds are made available for youth training activities in program year 2026, which occurs from April 1, 2026, through June 30, 2027.

National Programs

Dislocated Worker Assistance National Reserve

The Committee provides \$300,859,000 for the Dislocated Worker Assistance National Reserve, which is available to the Secretary for activities such as responding to mass layoffs, plant and/or military base closings, and natural disasters, as well as for technical assistance, training, and demonstration projects.

Funds made available for the National Reserve in this bill support activities in program year 2026. The bill provides that \$100,859,000 is available for obligation on July 1, 2026, and that

\$200,000,000 is available on October 1, 2026. Both categories of funding are available for obligation through September 30, 2027.

Automation Impacted Industries.—The Committee continues to support funding to support demonstration and pilot projects relating to the training needs of workers who are, or are likely to become, dislocated as a result of automation.

Career Pathways for Youth Grants.—The Committee continues to recognize that multiple career pathways should be available to young people. The Committee also recognizes the need for early workforce readiness, employment, and training opportunities that help youth develop soft skills, such as responsibility, organization, and time management, as well as the need to learn workplace safety. The Committee provides \$20,000,000 to utilize the demonstration grant authority under the dislocated worker national reserve for grants to support national out-of-school time organizations that serve youth and teens, and place an emphasis on age-appropriate workforce readiness programming to expand job training and workforce pathways for youth and disconnected youth. This programming includes soft skill development, career exploration, mentoring, job readiness and certification, summer jobs, year-round job opportunities, and apprenticeships. Funding will also support partnerships between workforce investment boards and youth serving organizations. Additionally, the Committee encourages the Department to determine the feasibility of utilizing the existing one-stop infrastructure to develop and execute career pathways for youth at the local or regional level.

Dislocated Worker National Reserve Grantee Performance Reporting.—Consistent with the requirements of section 116(b)(2)(A)(i) of WIOA (29 U.S.C. 3141), the Committee directs the Department to require that all grantees receiving awards funded through the Dislocated Worker National Reserve report on the employment, earnings, and credential attainment outcomes of program participants. The Committee further directs ETA to include program participant outcomes disaggregated by grantee on its website.

Employee Ownership Initiative.—The Committee provides \$2,000,000 for grants authorized by section 346(d) of the SECURE 2.0 Act of 2022. Funds will be used to establish and expand employee ownership programs authorized by such section. The Committee directs the Employee Benefits Security Administration to provide subject matter assistance to ETA as it develops and administers this grant program.

Multi-State National Dislocated Coal Miners Assistance Grant Program.—The Committee is aware of the difficulties experienced by dislocated coal miners as a result of continuing energy sector restructuring. The Committee continues to strongly support funding for non-profit organizations that provide employment and training assistance, as well as related supportive services, to individuals who are dislocated by coal plant closures or substantial layoffs at coal mine operations and their immediate family.

Strengthening Community College Training Grants [SCCTG].—The Committee provides \$65,000,000 for SCCTG. This program builds the capacity of community colleges to address workforce development needs in in-demand industries and career pathways

leading to quality jobs and to expand evidence-based solutions to addressing such needs.

Workforce Opportunity for Rural Communities.—The Committee provides \$50,000,000 for the Workforce Opportunity for Rural Communities program, to provide enhanced worker training in the Appalachian, Delta, and Northern Border regions. These funds provide reemployment and training assistance to dislocated workers in rural areas to help them adapt existing skills and learn new ones demanded by growing industries. The Committee strongly encourages the Department to develop funding opportunity announcements and make grant awards in coordination with the Appalachian Regional Commission [ARC], Delta Regional Authority [DRA], and Northern Border Regional Commission [NBRC], for which each award shall not exceed \$1,500,000. Within the total, the Committee provides \$21,750,000 for grants in areas served by the ARC, \$21,750,000 for areas served by the DRA, and \$6,500,000 for areas served by the NBRC.

Indian and Native American Programs

The Committee provides \$60,000,000 for Indian and Native American Programs. These programs are designed to improve the academic, occupational, and literacy skills of Native Americans, Alaskan Natives, and Native Hawaiians to aid the participants in securing permanent, unsubsidized employment. Allowable training services include adult basic education, general educational development attainment, literacy training, English language training, remedial education, and career and technical education.

The Committee supports the effective implementation of the Indian and Native American programs. The Committee directs the Department to ensure new members of the Native American Employment and Training Council [NAETC] are selected as expeditiously as possible to avoid vacancies on the NAETC.

Migrant and Seasonal Farmworker Programs

The Committee provides \$97,396,000 for migrant and seasonal farmworkers programs, which serve members of economically disadvantaged families whose principal livelihood is derived from migratory and other forms of seasonal farm work, fishing, or logging activities. Enrollees and their families are provided with employment, training, and related services intended to prepare them for stable, year-round employment within and outside of the agriculture industry.

The Committee provides that \$90,134,000 be used for State service area grants. The Committee also provides bill language directing that \$6,591,000 be used for migrant and seasonal farmworker housing grants, of which not less than 70 percent shall be for permanent housing. The principal purpose of these funds is to continue the network of local farmworker housing organizations working on permanent housing solutions for migrant and seasonal farmworkers. The Committee also provides \$671,000 to be used for training, technical assistance, and related activities, including funds for migrant rest center activities under section 167 of WIOA.

The Committee recognizes the value of this program in serving the entire nation and directs the Department to ensure no state is

prohibited from applying for funds under migrant and seasonal farmworker programs if such state otherwise meets eligibility criteria outlined in statute.

YouthBuild

The Committee provides \$105,000,000 for YouthBuild, which helps provide disconnected youth with work readiness and industry-driven credential attainment opportunities.

The Committee encourages the Department to ensure YouthBuild grants reach geographically diverse areas, including rural areas.

Reentry Employment Opportunities [REO]

The Committee provides \$110,000,000 for the REO program, including \$30,000,000 for national and regional intermediaries. The REO program provides current or formerly incarcerated youth and adults involved in the justice system with occupational skills training that leads to industry recognized credentials and apprenticeships leading to employment in good, well-paying jobs and careers with opportunities for advancement. Programs are carried out directly through State and local governmental entities and community-based organizations, as well as indirectly through intermediary organizations.

The Committee directs the Department to ensure grantees establish formal partnerships with employers and that program participants receive industry recognized credentials and training in fields that prepare them for successful reintegration, including ensuring participants receive training and credentials in fields where their record is not a barrier to entry or continued employment. The Committee also directs the Department to consider the needs of communities that have recently experienced significant unrest.

Apprenticeship Grants

The Committee provides \$285,000,000 for Apprenticeship Grants.

The Committee continues to support the prioritization of funding to expand registered apprenticeships into new industries and for underserved or underrepresented populations. The Committee supports the use of apprenticeship grants that provide worker education in in-demand and emerging fields, including first responder; disaster resilience, response, and recovery; utility (energy and water) and resource management; transportation and infrastructure; goods movement sectors such as global logistics, rail and other freight-related employment; technology and outdoor recreation economy-related employment. The Committee also encourages the Department to support apprenticeship opportunities that incorporate non-traditional industries, while providing appropriate flexibility for such industries. Further, the Committee encourages the Department to fund apprenticeship opportunities in local communities that have high rates of unemployment and high rates of community violence.

Pay for Success.—The Committee looks forward to the Department’s assessment of the feasibility of supporting a pay-for-success initiative as directed in the fiscal year 2024 explanatory statement.