



**To:** Chair Patty Murray, Ranking Member Richard Burr and HELP Committee Members  
**From:** America Forward and New Profit  
**Date:** April 9, 2021  
**Subject:** America Forward Workforce Policy Priorities

---

**Overview:** In the face of growing structural economic inequalities and inequities, and as the need for skilled workers increases, it is essential that we break down barriers to opportunity that prevent the development of a strong, diverse, and skilled workforce. Now is the time to make bold investments in proven programs that enable students, youth, and adults from all backgrounds to succeed economically, and break down silos across our workforce system that prevent workforce boards, community colleges, human service agencies, providers, and job-training programs from working together to pursue holistic strategies to improve outcomes for our workforce and our economy.

With that in mind, America Forward is pleased to provide you with the following policy proposals in response to your call for ideas on how to support, update, and expand workforce training programs; support and expand the National Apprenticeship Act; and encourage innovation. We look forward to working with you and the Committee on bipartisan solutions to achieve these important goals.

America Forward is the Washington, D.C.-based nonpartisan policy initiative of New Profit, a pioneering national venture philanthropy organization that invests in a portfolio of breakthrough social entrepreneurs and systems-change initiatives, catalyzes and builds their impact, and transforms how government and philanthropy pursue social change to ensure that all people can thrive. The America Forward Coalition, which is comprised of more than 100 organizations nationwide, advocates for public policies that advance equity, foster innovation, and reward results. To date, we have leveraged \$1.7 billion for social innovation. Our members work in over 15,000 U.S. communities, impacting over 9 million lives every year.

This memo highlights policy recommendations that address the following four issue areas:

- Enhancing workforce training to spur economic recovery in response to COVID-19;
- Reforming Workforce Innovation and Opportunity Act (WIOA) programs;
- Supporting innovative solutions for national apprenticeship, youth apprenticeship and pre-apprenticeship programs; and
- Promoting innovation within federal, state and local workforce systems.

**I. Enhancing workforce training to spur economic recovery in response to COVID-19, including ways to address workforce needs of the health care and public health sectors**

As the COVID-19 crisis spreads across the country, devastating health and economic impacts are threatening the safety and wellbeing of millions of Americans, and creating enormous financial strain for families and communities. To work towards an equitable recovery, we must focus public investment on workforce training programs that spur economic recovery and address the needs of our nation's most

vulnerable workers: those who face mounting obstacles to livable-wage employment during and (in particular) following the COVID-19 pandemic. To ensure a brighter future for all Americans, we advocate for the following:

- As part of our nation’s economic recovery strategy, American Forward [proposed](#) the creation of a new \$800 million “Equitable Employment Outcomes Fund,” a federal competitive grant fund to build evidence, scale what works (with a focus in particular on real world, sustained improvements in the lives of those served), pay for improved employment and wage outcomes, incentivize data-driven performance management, fund practitioners to build data and evidence capacity, and increase equity across our workforce. This new fund could strengthen our community college training, public workforce development programs, and public baccalaureate programs serving under-represented minorities and/or low income populations; promote inclusion and equity across sectors; and ultimately accelerate our economic recovery. We have been working in partnership with Results for America on a bicameral proposal that would incorporate these important provisions.

A related version of this proposal would create a new five year \$900 million fund, evenly divided between the Department of Labor (DOL), Department of Education (ED), and Health and Human Services (HHS); half of the funding would be reserved to scale approaches already proven to be effective with rigorous evidence, while the balance of funding would go to build evidence for newer, more innovative programs focused on higher education, workforce development, economic mobility and other related sectors. We encourage you and other members of the Committee to support this legislation.

- Passing and fully funding the **CORPS Act**, which seeks to increase the amount of national service positions, including providing for positions that could support a variety of response and recovery efforts based on community needs, including expanding food pantry capacity, mentoring and tutoring at-risk students, bridging health inequities by expanding access to COVID-19 screening and testing, and more.

## II. Reforms to Workforce Innovation and Opportunity Act (WIOA) programs

Meaningful reforms to WIOA first must reverse decades of budget cuts to job training programs, so innovators have the resources necessary to tackle the many challenges local workforce boards and workforce systems providers face. America Forward believes Congress can ensure a strong recovery from this pandemic by supporting reauthorizations to WIOA that will strengthen our workforce, including:

- Maintaining the Governor’s reserve under the WIOA statute, which is currently authorized at a ceiling of 15 percent of the state allotment in WIOA. This funding could be used to support innovative approaches to plan for, administer, and/or deliver workforce education and training services that are essential to the timely delivery of an in-demand, skilled workforce, or to meet the needs of under-resourced workers and job seekers.
- Ensuring that state and local workforce systems (and their workforce boards) offer accessible career assessment and career navigation services for workers and job seekers — especially for adults with learning disabilities, who may struggle in text-heavy environments. This should include facilitating prior learning assessments for workers and job seekers to verify their

mastered competencies and, thus, speed and reduce the costs of acquiring post-secondary credentials demanded by local employers. Prior learning assessments should become a standard part of state and local workforce strategies.

- Providing states and localities with the training and technical assistance they need to allocate redirected resources of the youth formula funds to opportunity youth, in order to successfully connect young people to the workforce, as measured by placement and retention in quality jobs.
- Allowing WIOA dollars to be used to promote--wherever appropriate and possible--transitional jobs, career-related and BA/BS level internships, national service, youth corps, and employment social enterprises (defined further below), as a way to create bridges to permanent employment for those (particularly opportunity youth, justice involved, and formerly homeless) who are disconnected from the workforce.
- Authorizing local WIOA dollars to be used as the “last dollar in” to create a Pay for Success Pell Grant premium paid to accredited and certified post-secondary institutions that achieve specified job placement and retention rates—with living wages—in industry sectors and skills that the workforce board has identified as in demand locally.
- Encouraging the DOL to provide targeted guidance on the use of transitional job strategies, which give employers the opportunity for a “look see” at the potential fit of a job seeker, and which are under WIOA. Such strategies also have the potential to engage more employers in local workforce development planning and programming.
- Including a version of the “Equitable Employment Outcomes Fund” from Part I above: As described in greater depth in Part I of this memo, America Forward is working with Results for America and a number of other partners to advocate for a dedicated new funding stream to build evidence for—and subsequently scale—economic mobility programs and services proven to be effective. The committee should prioritize a version of this proposal as part of a reauthorization of WIOA.
- Allowing WIOA dollars to go to “Pay it Forward” Income-based Repayment Funds, on a pilot basis:
  - The Career Impact Bond (CIB) is a new education financing tool that expands access to high-quality career training for low-income and underserved populations. The CIB funds career-based education for high-demand industries and critical wraparound services (e.g., an emergency grant fund to cover unexpected costs related to housing, food, and transportation) for unemployed or underemployed workers. Students repay program costs if, and only if, they obtain and maintain employment above a predefined income threshold. They also have access to student-friendly repayment features like payment caps, fixed repayment terms, and downside protection, all of which are outlined in a Student Bill of Rights.

One way to expand the use of CIBs on a targeted basis would be through authorizing a pay-it-forward fund structure, which could blend public, private, and philanthropic dollars to create an initial funding pool for CIBs and other similar vehicles. After the first cohorts of students complete their training and enter the repayment phase, their

payments replenish the fund and create a virtuous cycle for future cohorts of students. Since the pay-it-forward fund recycles payments, a one-time investment from the federal government could catalyze years of funding for in-demand workforce training.

- o In reauthorizing WIOA, we urge you to authorize federal WIOA funds to support local pay-it-forward funds on a case-by-case pilot basis, when requested by governors.

### III. **Innovative solutions for national apprenticeship, youth apprenticeship and pre-apprenticeship programs**

It is critical that institutions of higher education, other post-secondary providers, and workforce system players recognize the realities facing students and workers, and consider the core competencies employers seek. As part of this effort, it is important that post-secondary providers and workforce agencies work together to create and support innovative credentialing and certification opportunities that reward the development of in-demand skills that apply directly to areas of need in the economy, no matter where the learning and skills development takes place, including:

- Recommend strategies using the widely-supported idea of **apprenticeship programs** to target the 4.6 million opportunity youth in our nation, as well as the millions of non-metropolitan and rural area adults who have endured chronic unemployment and underemployment since the Great Recession.
- Ensure continuous improvement in apprenticeship models across all job sectors and inform policy makers about emerging and successful models.
- Establish an apprenticeship innovation fund for competitive grants to workforce development and education entities that uses a tiered evidence structure that directs significant grant funding to organizations that have demonstrated success in meeting the needs of a previously under-served populations and that address skilled workforce shortages in in-demand jobs, while also making available grant funding to new models that show initial promise in addressing such priorities.

### IV. **Promoting innovation within federal, state and local workforce systems.**

Many important changes were made to federal job training programs with the passage of the WIOA. While WIOA has been law for a number of years, there is still much the DOL and Congress can do to support states and localities as they assess and determine how to modify their practices and integrate the changes made by WIOA across all elements of their workforce development systems, including:

- Permit **Title IV Higher Education Act (HEA) grant** and loan dollars to support credential attainment, integrated with career navigation. Further, support counseling—sponsored by local workforce boards—for credentials based on regional skills demands, with a priority for credentialing of those most in need of upskilling, in order to accelerate the transformation of the American workforce from lower wage, lower skill jobs to higher wage, higher skill jobs.
- Ensure the new **Strengthening Community Colleges Training Grants (SCCTG)** and the proposed investment from the Biden-Harris Administration in community college workforce training partnership programs are fully integrated with career navigation and counseling sponsored by

local workforce boards, focused on the regional skills demands they identify, and targeting grant resources to those most in need of upskilling.

- Building on the federal Performance Partnership Pilots initiative by working toward a model that better integrates higher education, workforce, and human services funding streams and outcomes goals into a holistic approach that fully meets the needs of students and families. Rather than restricting funding and supports in a series of siloed programs, this model would identify data sources to track progress and allow for flexibility and innovation to improve results.
- Developing a protocol at the Office of Personnel Management for recognizing non-traditional credentials, including micro-credentials (which recognize individual skills or practices) and credentials offered outside of traditional education institutions, that takes into account their relevance, rigor, and reliability.
- Creating a system whereby micro-credentials are accepted by the DOL as evidence of learning through internships, service year programs, and other experiential learning.
- Tasking the DOL with validating that such credentialed experiential learning programs constitute “vocational education” per the determination requirements of the Fair Labor Standards Act (FLSA) and, therefore, are deemed to be FLSA compliant.
- Continuing to pursue statutory and regulatory changes in the Higher Education Act (HEA) that require accredited and certified postsecondary institutions offering workforce credentialing programs to support student access and completion. These programs would ensure affordable student access, persistence, and completion at school, as well as placement and retention in careers for which they were trained and in which they earn wages that enable them to repay education loans. Such policies should be aimed at all providers, whether they are for-profit, nonprofit, or public.
- **Employment social enterprises (ESE)** are mission-driven, revenue-generating businesses that employ, empower, and invest in the potential of people with barriers to employment. We therefore encourage the federal government to play a robust role in creating a supportive ecosystem in which ESEs can thrive. Specifically, we recommend that the Committee under its jurisdiction:
  - Embrace a clear definition of ESE to be used consistently across the federal government. Mine and collect data on ESEs in order to measure their impact on the economy and employment of target populations;
  - Educate employers, states, and local governments that participate in federal workforce and educational programs about the role and value of ESEs in training and preparing the workforce; and,
  - Clarify that nonprofit ESEs are eligible for AmeriCorps support.
- **National Service** should be recognized as a form of workforce development and considered as part of all employment and “future of work” strategies. We must:
  - Identify priority challenges at other federal agencies that could be addressed through service. For example, the Administration’s FEMA Corps represents a cost-effective way to

address the challenge of disaster recovery while encouraging young adults to explore careers in related fields.

- Encourage state workforce board membership to include a representative of the state's national and community service commission, and for the local workforce board membership to include a representative of a local nonprofit service organization.
- Create a civilian service option under the GI Bill, which would serve as bridge building positions for veterans, enabling them to explore ways to translate their skills into civilian jobs while satisfying the strong desire many veterans have to continue their service.
- Enable certified service year positions to receive the same treatment under the Fair Labor Standards Act as similar programs funded by the government through AmeriCorps.
- Align expansion of AmeriCorps with workforce needs, to incentivize community-wide strategies connected to inclusive employment, and prioritize funding for programs that offer the opportunity to earn a credential or post-secondary credit.
- Encourage the Corporation for National and Community Service to prioritize in their grantmaking, programs that invest in and track corps member outcomes related to skill-development and post-service pathways.
- Expand utilization of the 21st Century Conservation Corps authority to contract with youth corps to reduce the backlog of maintenance and other projects on public lands, including national parks, and create similar authorities within state and local government.
- Encourage higher education to offer formal credentials that recognize postsecondary learning through national service.
- Formally recognize national service as a form of workforce development through pre-apprenticeship/apprenticeship alignment and talent pipeline tracks parallel to on-the-job training and apprenticeship, or create a subcategory in workforce programs.
- Eliminate the cap on training time in AmeriCorps and allow programs to determine participant time for training and education as needed, to enable participants to deliver quality service and develop members' education, workforce, and civic skills consistent with the program's application.
- Provide incentives for higher education institutions to dedicate federal college work-study hours to service, such as 50 percent of any increase for College Work Study should be awarded by formula to those higher education institutions that in the previous year used more than 50 percent of their work-study funds for community service hours.

- Use Learn and Serve America Higher Education grants to support community colleges, HBCU, HSI's, MSI's, and tribal college efforts to develop or partner with national service programs that will support learning and career outcomes for their students.
- **Data and Outcomes** Access to, standard definitions of, and resources to engage in measurement and evaluation of data are crucial in order to ensure achievement of the results we seek in the workforce system. Many of the changes made in WIOA are aligned around the need and desire for a focus on outcomes, but investments in and common practices around data and evaluation are still needed in order to achieve this goal.
  - Improve WIOA's state and local outcomes measurement methodologies by incorporating more effective statistical techniques, such as regression analyses, that can help minimize disincentives for delivering services to populations who face more significant barriers to employment, along with investing into transitional jobs.
  - Subject to appropriate privacy protections, the federal government should amend law, regulations, and access protocols to permit federal, state, and local workforce and education agencies, state and local workforce boards, nonprofit workforce development organizations, employment social enterprises, and post-secondary institutions certified by ED to participate in Title IV of the HEA to have access to the National Directory of New Hires and to Unemployment Insurance Wage Records.
  - Employment outcomes should include placement and retention in appropriate post-secondary education, or advancement toward living wage jobs or careers, for up to three years after completing a workforce education and training program. We also urge that success in workforce programs not be limited to the specific jobs for which individuals were educated and trained.
  - The DOL, in consultation with ED and HHS, should establish:
    - For all federal workforce education and training programs a uniform definition of job placements, including transitional job placements, recognizing the changing nature of work in our economy, and an accurate methodology for calculating job placement rates of program participants. DOL should incorporate into such definition and calculation methodology appropriate consideration for placement of certain participants in transitional employment, career-related and BA/BS internships, youth corps, post-secondary education, and employment social enterprise designed to create a bridge to permanent employment for individuals (including opportunity youth) disconnected from the workforce.
    - For all Institutions of Higher Education (IHEs), a uniform definition of a strong first job which is full time, requires a BA/BS and has competitive wages in the industry or field. It is important to measure benchmarks not just at one point, but at multiple points and disaggregate the data across lines of difference.
  - Invest in an equity-focused measurement system that tracks not only jobs, earnings, and credential or degree attainment, but also breaks these outcomes down by gender, race, ethnicity, justice-system involvement, household income, and other systemic barriers.

- Conduct rigorous research on the impact of work requirements on the Temporary Assistance for Needy Families (TANF) program and Supplemental Nutrition Assistance Program (SNAP) with a focus on equity. The research should include learning questions on whether and under which circumstances the work requirements lead to better, more equitable economic outcomes for participants and how the work requirements may or may not perpetuate cycles of poverty and inequity.