

## INTRODUCTION

Throughout the election cycle, President-elect Trump shed light on the many challenges facing Americans who feel left behind by today's globalized economy that demands marketable degrees, credentials, and 21st century job skills on the path to success. While these challenges are pervasive, bold and effective solutions in education, workforce development, and poverty alleviation can be found in communities across the country. In fact, many of the most innovative, evidence-driven solutions have been developed by members of the America Forward Coalition, a national network of more than 70 entrepreneurial organizations.

America Forward's Coalition members are developing innovative solutions to our nation's biggest challenges and delivering these solutions in rural and urban communities across America every day. Our organizations are working hard to close the opportunity divide and develop a 21st century workforce that is ready to fill the estimated five million available jobs that lack qualified workers.<sup>i</sup> Our organizations are investing in young adults and connecting them with real-world training, internships, and skills development opportunities that are essential to succeeding in an increasingly competitive global economy. They are re-engaging Americans of all ages in need of a second chance and who, if perpetually disconnected from the education and workforce systems, could cost taxpayers up to \$1.6 trillion over their lifetimes in lost revenue and increased social services.<sup>ii</sup> Our organizations are leveraging powerful innovations and developing cost-effective practices to personalize learning for all students as they work to understand and address the needs of the 2.4 million students who are diagnosed with specific learning disabilities and connect their families with cost-effective resources.<sup>iii</sup>

President-elect Trump has the opportunity to leverage the impact and power of these effective community-based organizations and unleash the power of entrepreneurship in the United States by creating a new policy environment that fosters innovation, rewards what works by measuring critical outcomes, and incentivizes private sector investments and public-private partnerships that support innovative, outcomes-driven community solutions.

America Forward looks forward to working with the Trump Administration to develop and implement policies and practices that can provide new opportunities for Americans to succeed in today's education and workforce systems. We offer the following actionable policy ideas to make this vision a reality:



## WHITE HOUSE OFFICE OF LOCAL SOLUTIONS AND ENTREPRENEURSHIP

### *Unleashing the Power of Social Entrepreneurs*

#### Summary:

The Trump Administration should establish a **White House Office of Local Solutions and Entrepreneurship** that has the primary mission of examining existing programs to open federal funding streams to proven community-based organizations, expanding the capacity of effective social entrepreneurs and nonprofit organizations at the local level, leveraging research and development, and fueling private sector investment in innovative, outcomes-driven programs.

Social entrepreneurs and nonprofit organizations are developing better ways to solve new and old problems facing their local communities every day. Moreover, the nonprofit sector alone employs roughly 10 percent of the country's workforce, a number that has stayed consistent even during the latest economic recession.<sup>IV</sup> These organizations are meeting the needs of Americans in their local communities, and they should be a focus of the next Administration. Yet, there is currently no federal office or agency that views the capacity-building of social entrepreneurs and nonprofit organizations, the development and scaling of proven local solutions, or the facilitation of private sector investments as its primary focus.

Aligned with President-elect Trump's mission to facilitate fiscally prudent cross-sector partnerships and investments in proven solutions that address the needs of all Americans, the new Administration should collaborate with effective, outcomes-driven social entrepreneurs and nonprofit organizations to support the scaling of community solutions by:

- Helping to build the capacity of social entrepreneurs and nonprofit organizations that are effectively addressing the needs of Americans in their own communities; highlighting the impact of social entrepreneurs, public, and private sector actors at the local level; and supporting the development and scaling of community-based solutions.
- Identifying and advocating for proven, successful entrepreneurial and community-based solutions to be authorized activities under federal discretionary grant programs, formula grant programs, entitlement programs, and through tax and regulatory policy.
- Examining existing programs to open federal funding streams to high-impact, community-based organizations with track records of achieving positive outcomes and results by expanding platforms, competitions, and challenge funds that facilitate private sector engagement and leverage private resources, and other funding sources.

- Championing the creation of a “Community Solutions Tax Credit,” in partnership with the Department of Treasury, to support and scale high-quality organizations and incentivize private sector investments.



## COMMUNITY SOLUTIONS TAX CREDIT

### *Stimulating Private Sector Investment in Local Solutions*

#### Summary:

In order to scale high-quality community-based organizations and leverage the power of innovative social entrepreneurial organizations, President-elect Trump should support a new **Community Solutions Tax Credit**. A Community Solutions Tax Credit will incentivize investments from private sector funders across the country that have developed highly sophisticated systems for identifying promising solutions to community problems and for funding their expansions.

Tax policy can be used to influence the availability and form of private sector investments. The federal charitable deduction has for decades been taken by taxpayers against donations to any 501(c)3 charity and there is data that not only the availability of, but the value of, the deduction affects giving decisions.

Tax credits have been shown to be an even more potent incentive for taxpayers to invest in economic activities that address public policy priorities. For example, the federal New Market Tax Credit rewards investors for investing in specific types of businesses that benefit and support development in low-income communities, and the credit has been shown to help effectively increase investment in low-income communities. The Low Income Housing Tax Credit (LIHTC) is another example of a tax credit that incentivizes equity investments in the development, in this case, of affordable housing in low-income communities. The LIHTC has largely been successful at increasing the amount of affordable rental properties created in the U.S. In both cases, private investors are not investing directly in the individuals benefiting from their community investments, but instead they are making their investments through intermediaries, such as Community Development Entities, that are local, community-based organizations.

President-elect Trump should utilize federal tax policy to support the growth and expansion of high-performing community-based programs offering promising solutions to local challenges. Under a newly created **Community Solutions Tax Credit** option, certified intermediaries would compete for tax credit allocations from which they would make available tax credits to individual investors who provide capital to high-impact community initiatives. The availability of a tax credit would enable intermediary organizations that are close to the community (rather than the federal government) to select providers based on local plans,

and support investment in proven community-based solutions and local nonprofit organizations. This support would be used to scale community-based solutions that address education, youth development, workforce development, and poverty alleviation among other needs in communities across the country. The creation of this tax credit would further the President-elect's goals of facilitating cross-sector partnerships, incentivizing private sector investments in effective organizations, and returning control and authority to local communities, while eliminating bureaucratic requirements.



## A PAY FOR RESULTS AGENDA

### *Incorporating a Pay for Results Approach into Federal Decision-Making*

#### Summary:

Current government decision-making about policy and funding allocations is too often focused on inputs and outputs rather than on results. President-elect Trump should support a **Pay for Results Agenda** that encompasses a broad effort to make government policy and funding decisions more effective and efficient in order to measurably improve the lives of all Americans.

The Federal government allocates over \$1.5 trillion for social services annually, but only about one percent of that funding is allocated in a way that its impact on those being served is known. Our failure to demand results is evidenced in our education rankings, criminal justice figures, and employment rates. Current government decision-making about policies and funding allocations is too often focused on inputs and outputs rather than on results; it is constrained by the fact that resources are often siloed and locked into specific providers or programs; and, it is impeded by limited availability of, and access to, data.

Making government more effective is a bipartisan idea that both Republican and Democratic administrations have embraced in various forms through the years. Most recently, this bipartisan approach to policy and funding decision-making has resulted in the authorization of the Social Innovation Fund, the emphasis on data and results in the Workforce Innovation and Opportunity Act and the Every Student Succeeds Act, the creation of the Commission on Evidence-Based Policymaking, as well as the overarching themes outlined in House Speaker Paul Ryan's (R-WI) "A Better Way Agenda" – an agenda which has received overwhelming bipartisan support.

President-elect Trump has the opportunity to significantly increase government efficiency by harnessing this momentum and advancing a Pay for Results agenda with a focus on four key components:

- **Invention:** research and development of social interventions
  - **Improvement:** measure impact and support data development and infrastructure
  - **Investment:** allocate federal funding using Pay for Success and Social Innovation Financing contracting approaches
  - **Implementation:** provide flexibility to states and localities that use federal funds with a focus on results.
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**Pay for Results:** An approach to government decision-making that supports policies and funding decisions that focus on results over inputs and outputs, that help unlock siloed resources, and that support development of and access to data.

**Pay for Success:** A type of Pay for Performance-Based Contracting between government and service providers in which impact is measured rigorously and government makes “success payments,” or increases a provider’s market share, only when results are achieved within a specific timeframe. Also referred to as Pay for Performance or Outcomes-Based Contracting.

**Social Innovation Financing:** A tool designed to address the payment delays and uncertainties inherent in some forms of Pay for Success contracting. In Social Innovation Financing, private funders, using various financial instruments, provide working capital to service providers with Pay for Success contracts to deliver social, health, housing, community development, and similar services, and those private funders take on the financial risk that the service provider will not meet the level of success necessary to trigger performance payments. Social Impact Bonds are one form of Social Innovation Financing (but are not actually bonds in a traditional sense).

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To advance a Pay for Results agenda President-elect Trump should:

- Advocate for the authorization of a Cross-Agency Research and Development Innovation Lab. Modeled after the Defense Advanced Research Projects Agency (DARPA), the Lab would engage with the private sector to seed early-stage innovation, identify promising solutions, and rapidly test new social service approaches.

- Collaborate with Congress to promote the inclusion and/or expansion of Pay for Success contracting authority within federal programs, and provide training and technical assistance to federal, state, and local governments, as well as potential providers as they move towards outcomes-based contracting and procurement systems and practices.
- Allow for low-or-no cost access to existing public sources of data (“administrative data”), subject to appropriate privacy protections, and study the emerging science to identify a next-generation set of metrics to more completely evaluate the success of federal programs.
- Leverage existing waiver authorities such as the Social Security Act Section 1115 waiver authority, the Workforce Innovation and Opportunity Act broad waiver authority, and the Higher Education Act Experimental Sites waiver authority, to enable federal agencies to approve Governors’ requests to demonstrate, replicate, and scale Pay for Results approaches.



## ACCELERATING COLLEGE ACCESS AND SUCCESS FUND

### *Scaling Outcomes-Driven College Access and Success Programs through Competitive Federal Grants*

#### Summary:

President-elect Trump’s Administration should consolidate funds from existing programs to create an **Accelerating College Access and Success Fund** that award grants on a competitive basis to develop and scale innovations and organizations that increase college access, persistence, and completion, address the needs of today’s students, and provide clear pathways from college to career.

The vision many of us have of typical college students – 18-21 year-olds on four-year college campuses full-time – is no longer accurate. Today’s students are more diverse than ever. Today 38 percent of college students are older than 25, and 58 percent of college students work a job while enrolled.<sup>v</sup> There has been a 240 percent increase in Latino students and a 72 percent increase in African American students attending college.<sup>vi</sup> Twenty-six percent of today’s college students are raising children.<sup>vii</sup> Additionally, nearly half of all students graduating from a four-year college had some experience within a two-year setting – highlighting the role that multiple institutions are playing in the post-secondary experiences of today’s students. Unfortunately, our current higher education system often relies on outdated frameworks and standards that are not aligned with these new realities and many higher education institutions are ill-equipped to support the needs of today’s student.

In recognizing these new realities facing today's students, President-elect Trump should advance higher education policies and practices that are innovative and focus on results.

A wide range of new approaches are emerging to support today's students at every stage - from the college application process, and providing integrated supports post-enrollment, to accelerating completion strategies, and connecting students with career opportunities. Many of these innovative and effective new approaches are operated by social entrepreneurs, nonprofit and community-based organizations, including service year programs working in multiple school districts and on college campuses. Unfortunately, these organizations and programs are ineligible to apply for many existing federal funds under current rules and are unable to scale up their demonstrated results because of these constraints.

In order to deliver on his commitment that all Americans have the opportunity to attend a two or four-year college, or pursue a trade or a skill through vocational and technical education, and realize his vision that these opportunities will be easier to access, pay for, and successfully complete, President-elect Trump should support:

- Setting aside funds from the existing suite of federal college access programs to create an Accelerating College Access and Success Fund. The fund will sponsor grants awarded on a competitive basis for innovative programs that improve the outcomes associated with increasing college access and success for all students.
- Allocating and distributing funds on a competitive basis to college access and success social entrepreneurs and organizations, including nonprofit and community-based organizations, that do not currently qualify for federally-supported access programs, but that have demonstrated a promising solution to meet the needs of today's students.
- Proportioning innovation fund grant sizes to levels of evidence so that the programs with the highest levels of demonstrated success receive the largest grants, or award grants based on Pay for Results principles with programs receiving renewal grants only if they meet specific outcome targets.



## OUTCOMES-DRIVEN CREDENTIALING AND CERTIFICATIONS PROGRAMS

### *From Military Service to Learning Experiences Outside the Classroom — Validating and Credentialing Job Ready Skills*

#### Summary:

President-elect Trump should support student-centered efforts to connect skills and experiences with job placement through the development and implementation of **new outcomes-driven forms of credentialing and certification**.

Many employers today have identified a shortage of qualified workers for the estimated five million available jobs in the U.S.<sup>viii</sup> The reality is that most of those available jobs now require at least some post-secondary education or training, and by 2020, 65 percent of all U.S. jobs will require post-secondary education and training.<sup>ix</sup> Based on the current pace, the U.S. will produce only slightly more than half of the degrees and credentials needed to fill the jobs of the future. Additionally, the much needed investment in our crumbling national infrastructure noted by President-elect Trump will require a qualified workforce capable of effectively executing on the work needed. Aligning infrastructure investment with investments in developing and educating our existing workforce will both ensure that local communities are revitalized, and workers are ready to take on available jobs today, as well as jobs created by the new administration's infrastructure commitments.

In order to improve post-secondary outcomes for students and address the impending shortfall of in-demand credentials, it is critical that institutions of higher education<sup>x</sup> and other post-secondary providers recognize the realities facing today's students and consider the core competencies employers seek. As part of this effort, it is important that post-secondary providers and employers work together to create and support innovative credentialing and certification programs 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. Moreover, the creation of new outcomes-driven forms of credentialing and certification aligns with President-elect Trump's recent call to place all Americans on a ladder of success, which includes both securing a great education and a great job.

President-elect Trump can take the lead in this effort by:

- Convening and engaging higher education institutions and other entities, such as service-year programs, that offer college-level learning opportunities to define what high quality, flexible, market-demanded credentials and certificates look like.



- Encouraging cross-sector collaborations that highlight how credentials and certificates can be applied to the critical transferrable skills employers are looking for to meet the rapidly changing needs of the 21st century job market and economy.
- The next Administration can also lead by example and recognize new forms of credentials:
  - The Office of Personnel Management should develop a protocol for recognizing micro-credentials that documents individual skills or practice, and credentials offered outside of traditional school settings that take into account relevance, rigor, and reliability. This protocol would serve as a model that could be replicated at the state and local level to facilitate widespread change in recognizing additional credentials and certifications.
  - The Department of Labor should recognize such credentials as evidence of learning through internships, service year programs, and other experiences. The Department should also ensure that the state and local workforce system offers accessible career assessment and career navigation services including the facilitation of prior learning assessment for workers and job seekers to verify the knowledge and skills gained outside of the classroom, and the Department should validate that such credentialed experiential learning constitutes vocational training and education under the Fair Labor Standards Act (FLSA) rules as they are deemed to be FLSA compliant.
  - The Administration should support a Veterans Civilian Service Option for returning military and service members and provide them with much-needed transition time and support, pathways to education, training for jobs, and the dignity and pride of continuing their service here at home. This opportunity would provide a new option for many veterans looking for ways to reintegrate into civilian life that resonates with their commitment to service. This mission could be supported as an eligible benefit under the GI Bill, through the Department of Defense transition programs, or through Department of Labor veterans' assistance programs.



## WHITE HOUSE CONFERENCE ON OVERCOMING BARRIERS: EDUCATION AND THE AMERICAN DREAM

### *Understanding and Supporting All Learners*

#### Summary:

During his first 100 days in office, President-elect Trump should convene a **White House Conference on Overcoming Barriers: Education and the American Dream**. By partnering with parents, educators, students, and advocates, this conference is an opportunity to discuss research-based approaches to addressing learning and attention issues, the impact of trauma, and how to meet the needs of students with learning disabilities and place them on a ladder of success.

One in five students in the U.S. has a learning disability like dyslexia, dyscalculia, or ADHD. Additionally, today's students are experiencing trauma and toxic stress at unprecedented levels; from exposure to violence to housing instability, many students are living in a constant state of "fight or flight." Too often, we fail to prepare these students to succeed in today's knowledge-based, globalized economy. This conference would highlight emerging research about the intersection of learning differences, trauma, and learner variability, empower millions of families to make informed decisions about their students' learning experience, and catalyze partnerships between community advocates and educators that foster the sharing of cost-effective best practices to individualize learning and support all students.

There are powerful interventions that can meet the specific needs of students with learning disabilities and students impacted by trauma. The movement towards personalized learning for all students in this nation is destigmatizing learning disabilities, promoting a whole child approach, and creating a national dialogue about the variable supports we need to realize a vision of equity. Yet, this is a movement on the margins. Many parents and educators are still searching for answers and resources.

A White House Conference on Overcoming Barriers: Education and the American Dream would achieve the following:

- Provide an opportunity to distill the massive amounts of available and emerging neuroscience research about the intersection of learning differences, adversity, and learner variability and the economic implications of learning differences.
- Connect parents and communities with practical resources and shed national attention on challenges that affect students at every stage of life.

- Create an opportunity to develop and release a “Overcoming Barriers to Learning Toolkit,” an NIH-style toolkit for learning and neuroscience, amassing cutting edge neuroscience research and translating this evidence into practical applications for practitioners, advocates, and federal agencies that oversee programing or funding that serves children broadly and integrate cost-effective solutions as appropriate.
- Announce cross-sector commitments to partnership work that would pilot solutions to address the barriers many learners face. Commitments could be tied to the Grad Nation’s 2020 graduation goals,<sup>xi</sup> recognizing that the 310,000 students we need to graduate annually to hit an all-time high graduation rate of 90%, nationally, would be made up of students who face significant barriers to learning.



## NATIONAL SERVICE

### *Create Greater Opportunities for More Americans to Serve and Increase Savings for Taxpayers*

#### Summary:

National service programs advance key federal policy area and agency goals at a low cost, and provide a strategic pathway for young adults as they transition from school to career. In order to fully leverage the cost-savings and workforce development opportunities facilitated by national service programs, President-elect Trump should **increase the number of available full-time national service positions**.

National service has long been a tradition in the United States and has garnered support from leaders and policymakers on both sides of the aisle. Through national service programs, our nation has invested in the development of young adults as they transition into the workforce, and has provided cost-effective solutions to some of the most pressing challenges of our time. National service programs also provide crucial human power to critical national projects such as the important infrastructure investment plan that President-elect Trump has put forward. The scaling of national service positions can directly contribute to President-elect Trump’s efforts to provide great jobs and training opportunities for all Americans, while simultaneously increasing government efficiency.

The results achieved by national service programs in increasing high school graduation rates, improving college access, increasing reading scores, re-engaging opportunity youth, rebuilding neighborhoods, and connecting diverse communities are greater than many other higher cost interventions. As a result, federal agencies

have begun to create national service programs to further their missions, including the Department of Education's School Turnaround Corps, the Department of Justice's Justice Corps, and FEMA's AmeriCorps. These national service programs advance key agency goals cost-effectively while investing in the training and development of America's workforce.

Unfortunately, the current demand for full-time service positions widely outpaces the available supply and many Americans eager to give back to their country and gain valuable skills and traits through service programs are unable to do so. Hundreds of thousands of Americans who want to perform a service year are turned away due to limited openings, and hundreds of thousands more do not even know it is an option.

In order to create more national service opportunities and increase the number of available full-time service positions, President-elect Trump should:

- Expand the three successful federal civilian national service programs – AmeriCorps, Peace Corps, and YouthBuild – that create opportunities for opportunity youth and adults to learn job skills that are aligned with the skills needed to fill the almost 5 million available jobs in this country along with the jobs anticipated to be created by in the infrastructure investment supported by President-elect Trump.
- Direct federal agencies to create a service year and youth corps, and/or identify ways that national service can address their missions in a cost-effective manner while creating opportunities for young adults.
- Establish service year opportunities as a pathway to higher education and meaningful careers by creating incentives for higher education institutions to recognize and reward service years, and by recruiting service year alumni into federal jobs.
- Encourage states, communities, and nonprofit organizations to create service year positions to solve locally identified problems by partnering with the Service Year Exchange, a new private sector technology platform designed to connect individuals who want to serve with certified publicly and privately funded service year positions.
- Identify ways for national service to address, and advance, the goals of government agencies cost-effectively through the development and deployment of agency service corps and youth corps, while coordinating the growth of national service opportunities through AmeriCorps, the Peace Corps, YouthBuild, and other agency corps.

## CONCLUSION

Each of these innovative policy ideas is informed by the experience and evidence base of the local solutions developed and delivered by America Forward's Coalition of entrepreneurial organizations every day. Our organizations are creating better ways to solve problems and the future growth, scale, and success of these effective community-based solutions depends on national leadership committed to fostering an environment where innovative, outcomes-driven approaches can flourish. The President-elect has the opportunity to set this vision, engage local communities, and lift up what works. We look forward to working with the new Administration to advance these ideas that can move all of America forward.

## REFERENCE

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<sup>iii</sup> "New to LD," Learning Disabilities Association of America, Retrieved August 2016, <https://ldaamerica.org/support/new-to-ld/>

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<sup>x</sup> "Institutions of Higher Education" are defined as colleges, universities, institutions of technology, vocational schools, and community colleges, [http://www.americaforward.org/wp-content/uploads/2016/09/america\\_forward\\_on\\_higher\\_edu\\_platform\\_final.pdf](http://www.americaforward.org/wp-content/uploads/2016/09/america_forward_on_higher_edu_platform_final.pdf)

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