



# America Forward on Workforce Development and Economic Justice

---

## **Introduction**

America Forward is a coalition of more than 100 organizations nationwide, focused on advancing public policies that foster innovation, identify more efficient and effective solutions, reward results, and catalyze cross-sector partnerships in education, early childhood, workforce development, youth development, and poverty alleviation. We are educators, advocates, case managers, and organizers working in more than 15,000 communities across the country and touching more than 9 million lives every year.

Our organizations work to support students, young people, families, educators, workers, leaders, and communities by providing critical tools, supports, funding, and resources to increase accessibility and improve outcomes. America Forward brings together nonprofit leaders and social entrepreneurs with policymakers to leverage community-based solutions to address systemic inequities that exist in both our education and workforce systems. Over the past year, the coronavirus pandemic, a renewed national reckoning on racial injustice, and much else has only deepened these disparities and highlighted the vital need to reimagine and restructure these systems with an intentional focus on equity, stability, and expanding opportunity so that every person can thrive.

## **Workforce Development**

Education and workforce development are inextricably linked. As the need for skilled workers only increases, it is essential that we break down detrimental barriers to opportunity that prevent the development of a strong, diverse, and skilled workforce by making bold investments in proven programs that enable students, youth, and adults from all backgrounds to succeed economically.

By continuing to advance legislation that allows for flexibility to achieve targets and fund outcomes; prioritize investments in proven programs; supports “bridge building” work experience through employment social enterprise, internships, and national service; engages employers as a critical client of the workforce training system; take a holistic approach to K-12, higher education, nonprofit partners, workforce organizations, and employers; makes it easier to assemble and connect resources; improves data access and utilization and emphasizes accountability; and incentivizes alignment of federal programs related to workforce training and participation, we have the opportunity to restructure our approach to workforce development, forge a pathway from poverty to economic prosperity, and build a strong, diverse, and skilled pipeline of workers to meet the needs of the 21st century.

## POLICY PROPOSALS

### Equitable recovery: engineering an equitable economic recovery in response to COVID-19, with an emphasis on sustainable economic mobility

As the COVID-19 crisis spreads across the country, devastating health and economic impacts are threatening the safety 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 development and job training programs that address the needs of our nation's most vulnerable workers: those who will face mounting obstacles to livable-wage employment during and after the COVID-19 pandemic. To ensure a brighter future for all Americans, we propose the following:

- Create a new, \$800 million-dollar federal competitive **Equitable Employment Outcomes Fund** grant program to build evidence, scale what works, pay for improved employment and wage outcomes, incentivize data-driven performance management, and increase equity across our workforce.
- 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 — to accelerate the transformation of the American workforce from lower wage, lower skill jobs to higher wage, higher skill jobs.
- Allocate new funding to **increase Supplemental Nutrition Assistance Program (SNAP) Employment and Training (SNAP E&T) state reimbursements** to 100 percent for evidence-based activities or wage-based outcome payments.
- **Invest in and scale proven approaches and programs**, such as apprenticeship programs, sectoral training programs, employment social enterprises (ESEs), reemployment programs for those who are recently unemployed, academic courses focused on career, and permanent supportive housing.
- Invest in **employment social enterprises (ESEs)** to ensure they stay strong through this economic crisis and beyond. ESEs and other organizations that provide paid transitional employment and wraparound support to individuals overcoming high barriers to work must be able to more easily access our federal workforce and job-training system. In the face of the COVID-19 crisis, these entities and the populations they serve need our support more than ever.
- Continue to build a more inclusive lending and financing system to help businesses and nonprofits, including employment social enterprises, in all of our communities survive this crisis and thrive in the long run. In order to ensure an equitable recovery, we must improve access to and efficacy of new emergency recovery programs like the **Paycheck Protection Program** and

the **Emergency Capital Investment Program**, which will enhance the Treasury Department's ability to invest new capital into Community Development Financial Institutions (CDFIs) and Minority Depositories. Greater investment will also supplement the CDFI Fund, so that underserved communities, as well as small businesses, local nonprofits, and communities without established access to credit can have the resources they need to weather this crisis.

- Move one million families out of poverty by using **Temporary Assistance for Needy Families (TANF) funds** — or an alternative funding source — to engage cohorts of families to work together and support each other in achieving financial and personal goals.

### **Innovation: implementation and regulatory opportunities of the Workforce Innovation and Opportunity Act (WIOA)**

Many important changes were made to our federal job training programs with the passage of the Workforce Innovation and Opportunity Act (WIOA) of 2014. While WIOA has been law for a number of years, there is still much the Department of Labor 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.

- Support the implementation of **pay-for-performance** approaches — utilizing the authority included in WIOA — to direct WIOA formula and Governor's reserve dollars to funding proven programs aimed at specified workforce and employment outcomes demanded by local employers and job seekers. Though this authority was addressed in the final rule, the Department should consider revising the guidance to conform to the intent of the well-designed WIOA statutory provision, in order to ensure the resources needed to engage in these types of arrangements are accessible to those interested in utilizing the authority.
- Continue to support full funding of the **Governor's reserve**, which was reauthorized to a ceiling of 15 percent in WIOA, but that had previously been scaled back through appropriations law. The reserve funding is significant because through WIOA it is authorized to be utilized in the support and implementation of pay-for-performance arrangements. Thus, this funding could be used to support innovative approaches to plan for, administer, 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.
- Support the redirection of resources to the programs and initiatives that have demonstrable **high bar outcomes**. With the increased emphasis on longer-term outcomes and the authorized use of pay-for-performance approaches in WIOA, programs that achieve demonstrable outcomes can be more easily identified and supported.
- Ensure that the state and local workforce system (and its workforce boards) offers accessible **career assessment and career navigation services** for workers and job seekers — especially for

adults who have 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.

- Provide states and localities with the training and technical assistance they need to allocate the redirected resources of the youth formula funds to opportunity youth in order to **successfully connect young people to the workforce** measured by placement and retention in quality jobs.
- 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 newly authorized under WIOA. While relatively new in federal policy, such strategies were shown to be effective for those experiencing extended unemployment during and after the Great Recession. Such strategies also have potential to engage more employers in local workforce development planning and programming.
- Use WIOA dollars to promote, wherever appropriate and possible, **transitional jobs, career-related and BA/BS level internships, national service, youth corps, and employment social enterprise** 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.
- Discontinue waiving the WIOA requirement that youth funding stream resources be directed to “disconnected” **opportunity youth**.
- 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 target grant resources to those most in need of upskilling.

**Opportunity: support opportunities for youth and adult Workers, and individuals with barriers to employment through employment social enterprise**

An important way that young people and adults with limited work experience or facing barriers to employment step into the workforce is through employment social enterprise, a work-based learning that provides real job experience with income while providing training and supports ranging from mental health services to English language learning opportunities. This critical employment sector could grow rapidly through strategic investments and refinement of existing programs.

- **Employment social enterprise (ESE)—mission-driven, revenue-generating businesses that employ, empower, and invest in the potential of people with barriers to employment—are a**

**proven high-leverage, market-driven model** that expands economic opportunity for job seekers and develops talent to meet employer needs. 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 Congress seek to:

- **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.
- Amend the Small Business Act to **include nonprofit ESEs within the definition of a “small business concern,”** so that they would be clearly eligible for loans, guarantees, and contracts under the Small Business Administration (SBA) programs and designations.
- Ensure that Department of Commerce’s policies and regulations **include nonprofit ESEs with the definition of a “small business concern”** and as eligible nonprofits so that they would be clearly eligible for loans, guarantees and grants of the Economic Development Administration, the National Telecommunications and Information Administration, and other Departmental agencies.
- **Increase the capital available for start-up and expansion of ESEs** by leveraging existing CDFI and SBA resources and delivering technical assistance and best practice information about ESEs through existing federal centers of excellence, technical assistance, and capacity-building programs.
- 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.**
- **Clarify that nonprofit ESEs are eligible for AmeriCorps support.**
- **Double down on job creation,** including both “transitional jobs” and permanent positions with nonprofits, including employment social enterprises, to meet the demands of the future.
- **National service** has played an important but poorly understood role in developing America’s workforce in three ways: (1) providing “bridge building” work experience to youth and young adults; (2) providing a reliable employment pathway to the nonprofit sector and other sectors; and (3) building the supply of volunteers available to assist others in preparing for and finding employment. National service should be recognized as a form of workforce development and considered as part of all employment and “future of work” strategies. We propose:

- Pass and fully fund the **CORPS Act**, which seeks to increase the amount of national service positions to 750,000 by 2023, increase the minimum living allowance for AmeriCorps service positions and increase funds to entities hosting AmeriCorps participants (cost per member service year).
- 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.
- 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. In keeping with the new Administration's commitment to supporting partnerships between community colleges and employers, funds should be made available to support community colleges and HBCU, HSI's, MSI's, and tribal college efforts to partner with or develop national service programs.
- **Expand to full scale the federal YouthBuild program** that engages under-resourced opportunity youth ages 16-24 in a comprehensive full-time education, job training, and community service program. The program allows young people to earn their high school credentials while learning job skills by building affordable green housing, or through training for healthcare or technology careers in their communities. Prior to the COVID-19 crisis, nearly 4.6 million young adults were counted as "opportunity youth" — young people neither in school nor employed, and often facing the largest barriers to work; 13% of Latino/a/x youth, 18% of Black youth, and 24% of Indigenous youth meet the definition of "opportunity youth," compared to 9% of white youth. We recommend the following actions be taken in a new Congress:
  - Dedicate more resources to **training and support** for opportunity youth.
  - **Increase funding for YouthBuild programs** and encourage diversification of and target funding to communities that among other things are reengaging opportunity youth, pursuing equity in employment and creating transitional jobs.
- **Update laws and regulations that create barriers for those who were formerly incarcerated** to reenter the workforce. Formerly incarcerated individuals face unique hurdles to re-entering the workforce, including policies that contribute to persistent, destructive opportunity gaps. To address this challenge, the federal government should:
  - Conduct a comprehensive review of **professional licensing requirements** and remove inappropriate barriers to individuals with criminal histories.

- Implement policies to make it illegal to ask about **criminal records on initial job applications** and develop systems to track and mitigate the impact of these policies, including increases in racial bias.
- Enact **automatic expungement** of juvenile records for individuals after a specific number of years.
- Remove **barriers to entrepreneurship, like accessing capital**, as a pathway to economic justice for currently and formerly incarcerated individuals, including starting ventures from inside prison.
- Revise legislatively mandated extensive **criminal background check requirements** for AmeriCorps service that are unrelated to actual program requirements and best practices to protect people who are served, and which deter people from applying for positions that are in fact open to, or even designed to engage, court-involved or returning citizens.

**Connection: connect skills and experience to workforce needs**

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.

- Recognize **micro-credentials**, which document individual skills or practice, and credentials offered outside of traditional school settings as evidence of learning through internships, service year programs, and other experiences.
- Launch a **‘power skills’ grand challenge** that uses a portion of existing workforce funding to define and measure skills like leadership, grit, critical thinking, problem solving, communication, and teamwork, which are highly valued by employers.
- Authorize 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.
- **Expand allowable uses for AmeriCorps Segal Education Awards.** Alternative allowable uses should include other workplace training programs or expenses associated with starting a small business or nonprofit.

- **Pass legislation to make the AmeriCorps Segal Education Award non-taxable** so people who have served are not heavily taxed for using the education award.
- Recommend strategies using the widely supported idea of **apprenticeship programs** to target nontraditional industries and 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 and are often left out of apprenticeship programs.
- Ensure the **workforce development ecosystem** serves all populations in need.
- Make **supportive services** more available to enable low-wage workers to climb the economic ladder.
- Create a **tiered evidence innovation fund** to improve higher education outcomes. We propose a fund with a tiered evidence structure similar to the Investing in Innovation (I3) Fund and its successor, the Education, Innovation and Research (EIR) competition, at the U.S. Department of Education, as well as the Social Innovation Fund (SIF) at the Corporation for National and Community Service. These structures funded innovative new projects coupled with rigorous evaluations at a “lower” evidence tier, while scaling proven approaches in “higher” evidence tiers.

**Outcomes: improve measurable outcomes, build stronger evidence, link funding to outcomes, leverage data toward these ends, and increase accountability across the system**

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 the Department of

Education 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 to not be limited to the specific jobs for which individuals were educated and trained.
- The Department of Labor (DOL), in consultation with the Departments of Education and Health and Human Services, 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.

#### **Flexibility: support flexibility and continued system reform**

Even with the important changes made through the reauthorization of the federal workforce development system by WIOA, there are still deficiencies and inefficiencies in the federal workforce system. Federal workforce and post-secondary education policies and programs must be updated to promote additional flexibility among and coordination between programs, in order to achieve specific

workforce and employment benchmarks tied to specific populations, and to achieve workforce and employment outcomes demanded by local employers and job seekers.

- Encourage the focus of and incentives within the federally authorized and supported workforce development system to be much less WIOA-centric by applying the current focus of state and local workforce boards to the **broad array of federal and other resources that are available at the state and local level**. Workforce boards that have successfully pursued such an approach have typically relied on active participation in the workforce board by a representative array of sectors and stakeholders, including business, government, labor, education, nonprofits, program participants, and others.
- Create flexibility and coordination among federal workforce training programs and **promote state flexibility in consolidating the planning and administration of those programs not authorized under WIOA** — such as non-cash TANF vocational training and SNAP job training activities — by supporting the combined state plan authority in WIOA.
- Promote flexibility in program delivery regarding **expanded eligibility** for a small number of individuals where very specific eligibility requirements have negative impacts in implementation. This is the result of excluding individuals who need and would benefit from the opportunities offered but may not live in the right block, may not have committed a crime in the specified year, or may not meet some other overly rigid definition of eligibility. This is not, of course, intended to permit use of specifically dedicated workforce training program resources to be used to serve individuals who are not the target of these dedicated programs and resources.
- Establish “**national direct**” options in federal workforce and education programs, similar to the national direct grants in AmeriCorps, to allow nonprofit organizations operating in more than one state to compete for funding for multiple sites. This system would reduce administrative costs and leverage the quality controls found in high quality national programs.
- Increase availability of **supportive services** for under-resourced individuals enrolled in workforce training and education programs and after placement. These can be supportive services directly paid for by a portion of workforce dollars, such as transportation or childcare, or they could be dollars set aside for coordination of existing federal benefit and tax credit programs.
- Build a new pilot program of competitively selected mid-career leadership fellows. Leverage existing authorities at the agency level, including Schedule A(r) and IPA hiring and partnership authorities, to rapidly stand up an **interagency mid-career fellowship pilot program** to support coordination across departments and across different levels of government, promote innovation, focus on measurable outcomes, and increase diversity, equity, and inclusion at the senior levels of the public sector.

- Mobilize an **underutilized source of talent** — older Americans — who are typically excluded from WIOA-funded programs because their desire for less than full time work does not align with WIOA outcomes measures.
- Create a new **White House Office of Innovation, Outcomes, and Engagement**, that reports directly to the President, with the authority to both help set budgetary priorities through the Office of Management and Budget (OMB) and to convene and direct policy through the Domestic Policy Council to promote innovation across government.
- Promote the use of **existing waiver authorities** to enable federal agencies to demonstrate, replicate, and scale innovative interventions and incorporate pay-for-success approaches into workforce contracts. We have suggested application of such waiver authorities in seven different major federal programs all of which have workforce education and job training implications.
  - Opportunity Youth Workforce Development Program Innovations: WIOA continues the broad WIA waiver authority for promoting innovations including outcomes-driven approaches to opportunity youth workforce development.
  - Job Corps: WIOA continues the broad WIA waiver authority that could be used for promoting innovation aimed at improved outcomes for participants and to ease administrative difficulties plaguing the program.
  - WIOA Programs: WIOA continues the availability of the WIA’s broad waiver authority for promoting innovations including outcomes driven approaches to workforce development.
  - TANF and WIOA Concurrent Waivers: Solicit state waiver requests for TANF (SSA Section 1115 Waiver) and WIOA adult training and job placement/retention programs.
  - Senior Community Service Employment Program (SCSEP) Mature Worker Rapid Reemployment Initiative: Use the Older Americans Act (OAA) Sec 502(e) waiver/demonstration authority for addressing the “new poor” older workers in the SCSEP program.
  - TANF Training/Education Waiver Initiative: Use the SSA Sec. 1115 waiver authority to offer TANF training/education providers partial payments for participant persistence and skills attainment and the balance of their full fixed payment if the Pay for Success participant is placed in a job whose wages are at least 10% greater than the participant’s TANF benefit, within 13 months of starting in the Pay for Success program.

- New Section 1115 waivers: Moving forward, authorization could also be sought from Congress for new Section 1115-type waiver authorities or expansion of existing agency waiver authorities to promote innovative financing approaches to Pay for Success at the Departments of Education, Labor, and Justice.

## **Conclusion**

The past year in America has been defined by unprecedented challenges, enormous loss, and our continued struggle to confront deeply entrenched, systemic injustice and inequity. Nonetheless, we see enormous opportunity; opportunity to work collaboratively towards policies that expand opportunity, that embrace innovation, that leverage science and evidence, and that meaningfully advance equity. In the face of seemingly intractable challenges, we feel determined; determined to continue amplifying the voices of our Coalition members, determined to uplift effective, community-based solutions, and determined to build more equitable, accessible, high-quality systems that support students, educators, workers, nonprofit leaders, and families in all of our communities. We look forward to working alongside our Coalition members, partners, and policymakers to make this vision a reality.

## **About America Forward**

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.

America Forward unites social innovators with policymakers to advance a public policy agenda that advances equity, fosters innovation, rewards results, catalyzes cross-sector partnerships, and transforms local impact into national change. The America Forward Coalition comprises a network of over 100 social innovation organizations that champion innovative, effective, and efficient solutions to our country's most pressing social problems. Since 2007, our Coalition organizations have successfully advocated for lasting policy change in education, workforce development, and Pay for Success policy; leveraged \$1.7 billion for social innovation; and driven millions of federal resources toward programs that are achieving measurable results for those who need them most.