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Dear Ms. Jenuwine,

On behalf of our respective organizations, we are writing in response to the U.S. Department of Labor's Notice of Request for Information (RFI) on Sector Strategies to Meet Critical Workforce Needs Across Industries (88 FR 4032). Thank you for the opportunity to provide input on these important issues. We write with recommendations regarding sustained funding, sustainability and scalability, and technical assistance support around sectoral programs. Our comments relate to the following questions in the Department's RFI: Topic Area 6: Federal Support for Sector Strategies, Topic Area 11: Sustainability and Scalability, and Topic Area 12: Necessary and Beneficial Technical Assistance Support.

Each of our organizations either deliver or are deeply involved with issues related to sectoral strategies, and are members of the America Forward Coalition:

- America Forward is the nonpartisan policy initiative of the national venture philanthropy organization New Profit and leads the America Forward Coalition, a network of over 100 social innovation organizations that champion innovative, effective, and efficient solutions to our country's most pressing social problems.
- Opportunity@Work is a nonprofit social enterprise focused on increasing career opportunities for the more than 70+ million STARs in the U.S. — those workers who are Skilled Through Alternative Routes rather than a bachelor's degree. We are building the business case and infrastructure for employers to implement skills-based, inclusive hiring and for millions of STARs to access higher-wage jobs, and seek to create an equitable economy in which STARs – among whom are the majority of Black, Hispanic, veteran, and rural workers – achieve greater upward economic mobility.
- Per Scholas, a national nonprofit that advances economic equity through immersive training for careers in technology, linking diverse talent to 850+ dynamic businesses

across the U.S.
- Project QUEST, Inc-a 30 year old nonprofit with a proven history of evidence based outcomes delivering workforce training to historically underserved communities in San Antonio, Texas.
- Propel America is a national nonprofit focused on filling talent demand in healthcare through building quick, affordable, supported pathways to upward mobility for young people.
- Social Finance is a national impact finance and advisory nonprofit. We work with the public, private, and social sectors to build innovative partnerships and investments to measurably improve lives.
- Year Up, Inc. is committed to closing the Opportunity Divide for young adults in our country that have been continuously denied access to education and or career opportunities and thus deprived pathways to economic mobility.

Extensive evidence demonstrates that sectoral programs drive long-term improvements in economic mobility for people seeking high-quality employment in specific industries and high demand occupational clusters and advance equity across populations.[1] One major reason that sectoral programs are so effective is that these programs have strong connections with employers, informing their education and training services and providing a direct pipeline to sustainable employment. Another is that they provide comprehensive support, such as job placements, resume assistance, interview preparation, and counseling services. And many of the best programs also provide wrap around support services most needed to further support success of the participants. Research shows sectoral programs strengthen 21st Century skills and provide a pathway to industry-recognized certificates or credentials that boost economic mobility across the board, including underrepresented populations, with some programs doubling participants' earnings.[2]

Topic Area 6: Federal Support for Sector Strategies

We appreciate DOL's interest in expanding federal support for effective, equitable sector strategies. Today, public funding available for such models is far too limited, on account of both insufficient overall funding levels and virtually unmovable barriers in the design and deployment of prospective funding streams. As America Forward's recommendations to the Department from 2021 describe, many of the programs with the strongest evidence of effectiveness have only been provided limited access to public funding through the Workforce Innovation and Opportunity Act (WIOA) or other relevant funding streams.[3] Some sectoral models, for example, receive less than twenty percent of their annual revenues from government sources – and with additional support could dramatically accelerate scale-up efforts nationwide.

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[1] Katz et al. (2022), *Why Do Sectoral Employment Programs Work? Lessons from WorkAdvance*, Journal of Labor Economics 40(51), https://www.journals.uchicago.edu/doi/abs/10.1086/717932.
[2] Ibid.
[3] America Forward (2021), *Policy Proposals to Advance Workforce Systems Alignment And Innovation: Department of Labor Recommendations,* https://www.americaforward.org/wp-content/uploads/2021/03/policy-proposals-to-advance-workforce-systems-alignment-and-innovation-department-of-labor-recommendations-3.24.21.pdf.

We offer the following suggestions for developing funding streams for sector strategies to effect system change:

Leverage existing funding for federal grants that support sector-based programs. We strongly support more targeted funding for grants geared towards sector-based programs to scale-up and serve more workers by providing more access to entry level roles and also upskilling, especially underserved populations. We encourage the Department to identify ways to leverage existing funding sources for this purpose, such as workforce development funding in the Infrastructure Investment and Jobs Act.[4] In particular, we applaud the Department for the forthcoming Building Pathways to Infrastructure Jobs Program grant, including the grant's dual development and scaling structure as referenced in the grants forecast – and strongly support efforts to sustain and expand that program moving forward, and encourage similar scaling grants for other high growth sectors. We also believe the Department of Commerce's Good Jobs Challenge offers compelling lessons through its emphasis on systemic, collaborative efforts addressed at regional needs, as well as its focus on advancing equitable approaches.

Create new, sustained funding streams. We also encourage the Department to identify new, sustained funding streams for sectoral programs through authorization or in the appropriations process. We applaud the Department's budget request for a new Sectoral Employment through Career Training for Occupational Readiness (SECTOR) program, which would support the development and expansion of public-private partnerships among employers, education and training providers, and community-based groups to equitably deliver high-quality training focused on growing industries. We also appreciate that this year's SECTOR budget request includes $200 million, double the funding requested in the President's Fiscal Year 2023 Budget.[5] Research strongly suggests that the payoff of such strategies is positive and very much worth consideration based on any ROI standards.[6]

Prioritize evidence-based models as well as evidence-building. The evidence based sectoral employment program is one of the strongest across all social programs, making the funding gap for these models particularly stark. At the same time, a number of these models are operating at high-capacity, across multiple sectors, and at a national level, enabling them to quickly scale. Accordingly, we strongly recommend that the Department prioritize those programs with the strongest evidence bases for funding moving forward, including:
- **Prioritize models that have demonstrated sustained impacts on economic mobility through rigorous causal evidence.** While there is compelling evidence across programs for sectoral models in general, the evidence base also shows that design details matter, as only some programs have demonstrated positive impacts.
- **Avoid unnecessarily low award ceilings.** For example, a $5 million limit, as included in the Building Pathways to Infrastructure Jobs Grant Program forecast,

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[4] H.R.3684 - 117th Congress (2021-2022): Infrastructure Investment and Jobs Act. https://www.congress.gov/bill/117th-congress/house-bill/3684/text.
[5] Budget of the U.S. Government Fiscal Year 2024 (2023) https://www.whitehouse.gov/wp-content/uploads/2023/03/budget_fy2024.pdf.
Budget of the U.S. Government Fiscal Year 2023 (2022) https://www.whitehouse.gov/wp-content/uploads/2022/03/budget_fy2023.pdf.
[6] Katz et al. (2022).

potentially frustrates economies of scale and directing dollars towards the greatest marginal impact. In the past, the Department has, for example, set an award limit of $12 million for the Workforce Innovation Fund – and if warranted, an even higher limit, say of $20 million, could be appropriate.[7]

- **Support capacity-building and continued adaptation for models with substantial causal evidence.** Continued learning and adaptation is essential, whether honing program elements or adapting models to work in new contexts. The Department should prioritize, encourage, and fund these activities.

At the same time, we also believe it is essential to continue building the evidence base and support earlier-stage organizations, including those led by proximate leaders with lived experience. We suggest:

- **Invest in developmental programs.** As previewed in the Building Pathways to Infrastructure Jobs Grant Program forecast, the Department should allocate dollars for developmental-level programs with an emphasis on equity and expanding program designs to new populations, geographies, and sectors.
- **Emphasize effective outreach and, as possible, application support for new organizations to participate.** America Forward's experience working with early-stage workforce organizations has shown that there are too often major administrative barriers for new organizations to receive federal funding.
- **Support learning and evaluation, as well as capacity-building.** While we believe causal evaluation is essential, too often there is only limited support for the necessary work to build and hone programs and support their organizational development. The Department should support early-stage innovation and learning, such as feasibility studies, pilots, and rapid-cycle evaluation, as well as capacity-building support, ranging from market research to the development of management information services to scale-up planning.
- **Pursue the creation of a new innovation fund to develop, test, adapt, and scale effective models, including sectoral training programs.** For example, the WIOA bill that passed the House in 2022 included a proposed Workforce Development Innovation Fund that follows a bipartisan model introduced by Representatives Mikie Sherrill and David McKinley in the 117th Congress.[8]

We also strongly encourage the Department to work with States and localities to prioritize allocating dollars to effective, equitable sectoral programs using WIOA funding and other sources, along with complementary support:

- **Support and elevate State and local programs that leverage funding to scale sectoral and other evidence-based models.** For example, the Opportunity Now Colorado program funds new evidence-based programs that strengthen talent development by connecting Coloradans to high-quality, high-wage occupations, leveraging $85 million in American Rescue Plan Act funds.[9]
- **Encourage and enable state and local workforce boards to fund sector-based**

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[7] https://www.dol.gov/sites/dolgov/files/ETA/grants/pdfs/SGA-DFA-PY-11-05.pdf.
[8] https://www.congress.gov/bill/117th-congress/house-bill/7309/text#HEC229150EB87403EA822FC1A3F47A34A
 https://www.congress.gov/bill/117th-congress/house-bill/4338/text
[9] Opportunity Now Colorado, https://opportunitynow.co/about/

programs. We strongly support including provisions in the forthcoming reauthorization of WIOA, for example, that would create incentives and requirements for States and localities to include evidence-based workforce programs, such as sectoral models, ranging from state plans to local Title I funding streams. Reauthorizing the Workforce Innovation and Opportunity Act to include funding streams for state and local workforce boards to support sectoral programs will promote a more robust economy, employer partnerships, and a skilled workforce.

● **Invest in data.** As the America Forward Coalition has recommended to the Department, there is a substantial need to build a more robust and accessible data system to help stakeholders across the workforce system to leverage privacy-protected, secure data on participants' labor market outcomes to improve program improvement – including in sectoral programs.[10] As we have recommended, there are steps the Department can take administratively to support providers, while we also strongly support increased investment in workforce data, such as through the Workforce Data Quality Initiative.

Finally, we strongly encourage the Department to leverage waiver authorities and flexibilities, such as those under WIOA, to expand sectoral programs:

● **Support experimental sites to encourage state and local use of WIOA funding for sectoral programs.** There are many unintended barriers to leveraging such funds for sectoral programs under current law, such as the cumbersome enrollment and eligibility structure that poses issues for programs that use cohort models, such as sectoral programs. We encourage DOL to work with states and localities to pilot a waiver authority, informed by past efforts such as the Performance Partnerships Pilots, to test and implement new policy models.

● **Implement innovation experiments with Job Corps.** Building on recent efforts such as the Job Corps Cascades Impact Study, we encourage the Department to partner with sectoral programs as well as state and local governments to pilot integration of the Job Corps model with the most effective sectoral program designs. Given the high proportion of all federal workforce funding channeled through the Job Corps program, it is essential to leverage the latest lessons from sectoral programs and otherwise to ensure these funds support economic mobility.

Topic Area 11: Sustainability and Scalability and Topic Area 12: Technical Assistance Support

The complex structure of federal workforce development funding, such as WIOA and SNAP Employment & Training, can serve as a barrier to scaling. We also believe that effective technical assistance is an essential component to sustainability and scaling. We make the following recommendations:

● **Support scale-up and sustainability through technical assistance.** Sectoral programs with proven effective outcomes should be replicated while considering nuances that may

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[10] America Forward Coalition DOL 2022 Open Data RFI Response National Employment Metrics System https://www.americaforward.org/wp-content/uploads/2022/10/America-Forward-Coalition-DOL-2022-Open-Data-RFI-Response-National-Employment-Metrics-System.pdf.

impact outcomes, including geographic location, serving populations, and available resources. Alongside our funding recommendations above, we strongly encourage the Department to invest in effective technical assistance to support both newer and more experienced model developers and implementers. This technical assistance can include support for capacity-building; data and learning; scale-up and fidelity monitoring; and market research and sustainability.

- **Expand support for performance-based funding.** The inclusion of a pay-for-performance authority in the 2014 WIOA reauthorization was a watershed moment for outcomes and evidence in workforce development policy, allowing for governments to set longer-term outcomes as a priority for WIOA funds. Performance-based contracts provide an important structural complement to sectoral programs, as they enable governments to prioritize the key labor market outcomes that sectoral programs enable as opposed to simply near-term outputs, such as initial job placement. However, technical issues as well as a lack of sustained federal support have seriously slowed progress using pay-for-performance and performance-based methods in general despite widespread interest among workforce development boards – we are aware of at least twenty to date that have seriously explored the use of pay-for-performance. We strongly encourage the Department to address outstanding questions, such as which outcomes measures could be used and the distinctions between various types of performance-based contracting options, such as rate cards. We also encourage the Department to provide effective, national technical assistance for such funding models.
- **Sector program full cost assessments.** We recommend a full cost assessment for sector programs with rigorous data to scale up and understand program outcomes. We encourage partnerships between intermediary organizations that can give evaluative and research support, including data tracking and performance management assistance. Total cost may vary depending on the length of the program, trainee's needs, and geographic locations.

We appreciate the opportunity to respond to this RFI and welcome a meeting to discuss our recommendations further. We are strongly encouraged by both the intent of and the content of the RFI. We look forward to continuing to support the Department's critical work in this area.

For further questions, please contact Daniel López, Economic Mobility Manager with America Forward, at daniel_lopez@newprofit.org.

Sincerely,

America Forward
Opportunity@Work
Per Scholas
Project QUEST, Inc
Propel America
Social Finance, Inc.
Year Up Inc.

APPENDIX - OVERVIEW OF ORGANIZATIONS

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 strengthens 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 while working in more than 15,000 communities nationwide. Since 2007, our America Forward Coalition organizations have successfully advocated for lasting policy change in education, workforce development, and evidence-based 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.

Opportunity@Work
Opportunity@Work is a nonprofit social enterprise focused on increasing career opportunities for the more than 70+ million STARs in the U.S. — those workers who are Skilled Through Alternative Routes rather than a bachelor's degree. We are building the business case and infrastructure for employers to implement skills-based, inclusive hiring and for millions of STARs to access higher-wage jobs, and seek to create an equitable economy in which STARs – among whom are the majority of Black, Hispanic, veteran, and rural workers – achieve greater upward economic mobility.

Per Scholas
Per Scholas is a national organization advancing economic mobility for 25 years. Through rigorous training, professional development, and robust employer connections, Per Scholas prepares individuals traditionally underrepresented in technology for high-growth careers in the industry. Per Scholas partners with leading employers to build more diverse talent pools, directly connecting our graduates to new career opportunities with leading employers. Per Scholas has trained more than 18,000 individuals, helping them build lasting, life-changing skills and careers in technology. With operations in 20+ campuses coast-to-coast, historically 85% of Per Scholas learners graduate, and 80% attain a job within one year of graduation. Per Scholas' outcomes have twice been proven in randomized and controlled research trials conducted in MDRC's Work Advance study, which concluded that for every $1 spent on Per Scholas training, $8 is returned to the local economy through the reduction of public benefits, increased taxes, and increased spending.

Project QUEST
Project QUEST is a workforce intermediary enabling individuals to receive education and training to prepare them for career readiness, job placement, and job retention in living-wage

careers within three major industries including Healthcare, Information Technology/Cybersecurity, and Trades/Advanced Manufacturing. QUEST is a nationally recognized workforce model that has been researched and tested to be effective by the Aspen Institute, Ford Foundation, and was part of a gold standard independent study conducted by the Economic Mobility Corporation. QUEST delivers a participant-centric approach to assist in meeting their career goals.

Propel America
Propel America, a national nonprofit, exists to address the urgent opportunity to provide young adults with more supported options to access a career in healthcare AND to provide employers with a more diverse, trained talent pipeline. Propel America:
- Partners with employers to assess talent needs, create relevant training programs, and hire for their in-demand roles.
- Recruits, guides, and supports young adults (18-24 years old), particularly those from low-income backgrounds, through a blended, technology-enabled career accelerator curriculum to ensure fellows have what they need to be successful in their role and establish a plan for ongoing education and career advancement.
- Partners with training and higher education organizations to offer in-demand credentials that allow young adults to earn college credits

To learn more about Propel America, please visit https://www.propelamerica.org.

Social Finance, Inc.
Social Finance is a national impact finance and advisory nonprofit. We work with the public, private, and social sectors to create partnerships and investments that measurably improve lives. Since our founding in 2011, we have mobilized $350 million in new investments designed to help people and communities realize improved outcomes in education, economic mobility, health, and housing. In addition to managing the investment program funded by the Google Career Certificates Fund, our economic mobility portfolio includes the UP Fund, place-based Pay It Forward Funds, and the Dreamers Graduate Loan Fund. Learn more at socialfinance.org.

Year Up Inc.
Year Up is a national 501(c)3 workforce development organization committed to ensuring equitable access to economic opportunity, education, and justice for all young adults—no matter their background, income, or zip code. Year Up utilizes a high-expectations, high support model where students learn in-demand technical and professional skills and apply them during a corporate internship. Year Up has served more than 35,000 young adults across 35 campuses since its founding in 2000 and has been voted one of the "Best Non-Profits to Work For" by The NonProfit Times. To learn more, visit **http://www.yearup.org**, and follow us on **LinkedIn**, **Facebook**, **Instagram**, **Twitter** and **TikTok**.