



March 19, 2020

Speaker Pelosi
U.S. Capitol Building, Room H-204
Washington, DC 20515

Senate Majority Leader McConnell
U.S. Capitol Building, Room S-230
Washington, DC 20510

Senate Minority Leader Schumer
U.S. Capitol Building, Room S-221
Washington, DC 20510

House Minority Leader McCarthy
U.S. Capitol Building, Room H-204
Washington, DC 20510

Dear Speaker Pelosi, Majority Leader McConnell, Minority Leader Schumer, and Minority Leader McCarthy:

The financial, emotional and physical toll that this health pandemic has put on our country can't be overstated. Students and workers are losing their jobs and many more are afraid that they might be next. Small and mid-sized business leaders are worried about needing to close their businesses and the health and safety of their workforce. Community-based organizations and community and technical colleges have had to close their doors to protect students and their employer partners.

National Skills Coalition is a broad-based coalition of business leaders, union affiliates, education and training providers, community-based organizations, and public workforce agencies advocating for policies that invest in the skills of U.S. workers. As you continue work to address the spread of COVID-19 and its economic impacts, NSC encourages Congress to adopt policies that support policy goals for an immediate response for workers who need income, food, healthcare and housing today and for small and mid-size businesses trying to keep their doors open. There are people who will suffer the impacts of this crisis more acutely and in inequitable ways. Mid- and longer-term solutions to address needs of workers, businesses and communities across the country will require an additional set of policy changes.

As Congress works towards stimulus packages, NSC urges you to adopt the following policy recommendations:

Remove All Barriers to Our Nation's Safety Net: Immediately remove barriers to the existing federal safety net including health, food, housing, and cash assistance. Access to income support to mitigate effects of not being able to work or job loss is critical to workers being able to continue to feed their families, address medical costs and contribute to their local economy. Similarly, work requirements – ineffective and counterproductive to business and worker need in thriving economic conditions or today's conditions – prevent workers from being able to stay at home to protect their own health or to

care for ill family members. Congress should suspend all work-related restrictions for all safety net programs, give recipients significantly more time to get back into family supporting jobs and improve access to employment and training necessary succeed in these good jobs through Temporary Assistance for Needy Families (TANF) and Employment and Training programs under Supplemental Nutrition Assistance Program (SNAP).

- *Congress should direct federal agencies to waive all work requirements associated with accessing benefits under Temporary Assistance for Needy Families, Medicaid and other means-tested programs. This should include suspending a new rule that would make it harder for workers to access Supplemental Nutrition Assistance Program (SNAP) benefits for Able-Bodied Adults Without Dependents (ABAWDs).*
- *Congress should provide \$5 billion to reinvest in the TANF Emergency Contingency Fund, modernizing the program to empower states to invest in subsidized jobs and access to training in in-demand industries. Under the American Recovery and Reinvestment Act (ARRA), nearly 40 states implemented or extended subsidized jobs programs through ECF creating more than a quarter of a million jobs – primarily in the private sector – for parents and youth with low-skill levels. Congress should ensure families can succeed during our current crisis and in its aftermath by modernizing this program to provide for funding to support subsidized jobs *and* improved support for access to training and support services during that training and during employment.*
- *Congress should invest \$500 million additional funding to states to meet upskilling needs of SNAP E&T participants in essential in-demand industries. Congress should increase funding for E&T 100 percent funds (those for which states do not have a matching requirement) to rapidly improve capacity to deliver employment and training services, including digital skills, to workers receiving SNAP benefits. Under SNAP, Employment and Training (E&T) Programs were created to help SNAP recipients gain skills, training, or experience and increase their ability to obtain regular employment.*
- *Congress should reduce matching requirements to access additional E&T funding to provide critical worker supports like childcare and transportation assistance. Congress should lower the match requirement for states accessing 50/50 funds under E&T (those for which a state needs to show a nonfederal match). Instead, states should only be required to match 25 percent of the dollars drawn down from federal funding.*

Provide Comprehensive Income, Healthcare and Re-training Support to All Displaced Workers by guaranteeing access to income replacement, healthcare and re-training for any displaced worker, including contingent workers. Our national Trade Adjustment Assistance provides these robust benefits and is evidence of Congressional recognition that these strategies are valuable for worker success reentering the workplace after job loss. But, TAA is only available to workers displaced by trade. This level of benefits must be extended to all forms of economic displacement including pandemics. In addition to providing workers with basic income supports, the U.S. needs to provide workers with the entire suite of benefits to ensure the most successful – and efficient – pathway back to a family sustaining job.

- *Congress should expand TAA for Workers to workers who are displaced because of COVID-19 and its economic impact.* Congress should ensure this expansion includes a streamlined qualification process to maximize eligibility and make \$5 billion in draw-down funds available to support workers certified under this expanded TAA.
- *Congress should implement Unemployment Insurance Emergency Benefits,* allowing states to claim higher levels from the UI Trust Fund. And to ensure workers have access to benefits as quickly as possible, states that waive the waiting week for accessing benefits should be eligible for federal reimbursement for the cost of those benefits.

Help Small and mid-size Businesses Avert Layoffs and downsizing. Congress should help businesses maintain their workforce, ensuring businesses have the capacity to pay and retrain workers for our new workforce realities during and in the aftermath of the COVID-19 pandemic, including for jobs that are themselves rapidly changing for new technologies. Tax policy can help empower businesses to invest in worker reskilling. Current tax policy, however, does not provide incentives for business investment in workers, particularly those with the greatest skill needs. Additional measures to apply a blunt payroll tax incentive to all businesses – without targeting greater support to small and mid-size companies and to companies who are preparing workers with in-demand skills – would perpetuate an inefficiency and fail to address worker or business need today. And too often, workers only have access to UI benefits if completely separated from employment, meaning business are often forced to lay off workers – instead of reducing their hours – in order to empower workers to claim any level of UI benefits.

- *Congress should amend the Work Opportunity Tax Credit to provide businesses with targeted tax credits to empower companies to invest in worker retraining.* Business who invest in work-based learning and upskilling opportunities for their new and incumbent workers should be eligible for an up to \$10,000 tax credit to empower this investment in all workers, with all skill levels.
- *Congress should expand Short-Time Compensation for workers for whom businesses are forced to cut hours.* STC, or work sharing, [is credited](#) with saving half a million workers from layoffs over the past decade by providing workers with 20 percent of their weekly pay when hours are reduced from 40 to 32 weekly. This allows a company to retain workers, while still reducing costs, and allows workers to maintain income levels without need to access their full UI benefit to which they'd be eligible if laid off completely.

Provide states with confidence that the U.S. will invest in our greatest asset - our people. The United States invests in active labor market policies at levels lower than every other industrialized country, except for Mexico. In order to reach even the median level of investment, we'd need to invest an extra \$80 billion annually. Economic crisis and health pandemics are not predictable events, and in order to be prepared to address our current crisis best prepare workers and businesses to thrive under future crises, the U.S. needs a consistent and sustained investment in the skills that help workers access good jobs and help businesses compete in our global economy.

- *Congress should create a Workforce Trust Fund to ensure sustainable investment in skills during strong economies and during times of crisis.* Congress should task the Department of Treasury with investing \$20 billion into a Workforce Trust Fund, administered parallel to the existing UI Trust Fund. States would be eligible to draw down funding from the Workforce Trust Fund to support training, support services,

business engagement, reemployment and upskilling and other activities that help prepare states and communities to best respond to local needs.

Address Immediate Shortages in Industries Needed to Respond to Crisis: Industries like healthcare, logistics, and manufacturing are essential to responding to Covid-19 and are already facing severe shortages of trained workers. Our public workforce system, governed by the Workforce Innovation and Opportunity Act (WIOA) is poised to address these challenges, but needs adequate investment to best serve the dual goals of workers and businesses, to train displaced workers for these jobs and to ensure capacity when community colleges and training providers re-open physical classrooms. Investing in training today is an efficient and effective way to ensure workers are prepared to fill open positions that will lead to economic growth once we have moved past the crisis. Adult and postsecondary education and training programs also have an important role in ensuring workers can build the digital literacy necessary to succeed in their current and future jobs.

- *Congress should make a significant investment in WIOA Title I*, investing an additional \$6 billion, to rapidly train up workers who lose their jobs over the next year and prepare them for in-demand jobs, including those in healthcare industries. Funding should be allocated with 2/3 targeted to states, who can reserve up to 10 percent of allocated dollars for state-level activities and 1/3 to national grant programs. This investment should include a doubling of funding for adult, dislocated worker and youth programs. This funding should be available to states through the end of Program Year 2022 to ensure adequate impact in local areas across the country. Expanding access to digital skills training necessary to succeed in rapidly evolving remote work and distance education environments should be a critical component of this support, too.
- *Congress should make a significant investment in WIOA Title II*, investing an additional \$1 billion in education and training for workers who will need literacy, numeracy and digital skills to succeed in the workforce. The COVID-19 crisis has highlighted the speed at which many adult education programs can shift to online and blended formats. Greater investment in WIOA Title II will allow states to serve a higher percentage of the more than 36 million U.S. workers who have basic skills needs, as well as the 48 million who lack digital literacy skills. Preparing workers with these skills today – and ensuring support for this training over the next program year – will be critical to addressing worker shortage in in-demand industries.

Create Jobs to further spur workforce engagement and economic growth through investments in infrastructure projects. There is strong bi-partisan support for a major effort to re-build our nation's infrastructure, which could create millions of jobs that will be needed even more coming out of the Covid-19 pandemic. Any infrastructure package needs to include comprehensive support for training and supports with a focus on those who have been disproportionately impacted by racial inequities in education and labor policy.

- *Congress should set aside funding associated with an infrastructure investment to support education and training programs that help prepare workers for infrastructure jobs.* According to the Georgetown Center for Employment and the Workforce, a \$1

trillion infrastructure investment would create 11 million new jobs. Nearly 80 percent of jobs require some form of postsecondary education, so workers filling these open positions will need skills to succeed. This funding should be targeted to partnerships between industry, education providers and the public workforce system to support training and support services for workers preparing for infrastructure jobs.

- *Congress should create a new Infrastructure Professionals Opportunity Grants (I-POG) program to improve access to training, support services and to good jobs for people who are eligible for TANF, modeled on the successful Healthcare Professional Opportunity Grants. In addition to the broader grants that target workers, above, this program would provide targeted capacity to best address skill needs of those workers who most lack access to postsecondary education and training.*
- *Congress should provide businesses who invest in their workers with tax credits. Businesses who invest in training for their workers should be eligible for up to a \$5,000 tax credit to empower investment in training for new and incumbent workers.*

Update Education and Training Policies to Respond to Marketplace Disruption by supporting the infrastructure and flexibility required for short-term digital learning to get displaced workers retrained quickly. This effort will help shore up the country for future disruptions whether they are health, environmental, trade or technology related. This will also require a national effort to address the disproportionately low digital literacy skills among workers in industries like food service and retail that will be most impacted by job loss due to COVID-19.

- *Congress should invest in TAA Community College Training Partnership grants, at \$3 billion over the next three years, to support community and technical college and business partnerships that empower colleges to provide in-demand training to workers once they are able to reopen. Funding should also be available to equip students for distance learning and for other supports that help them succeed in training and education programs that were interrupted. The impending shifts in the workforce – both from technological change and the impact of COVID-19 – will require education providers to modernize training and services provided to students and partnerships with business will be a critical component of ensuring our postsecondary education system is truly demand driven.*
- *Congress should expand access to Pell grants for high-quality short-term programs in in-demand industries. Despite significant demand for skills and workers need to access short-term programs, federal financial aid is limited to longer programs. Congress should make sure that federal support helps people get the skills they need to rapidly reskill and upskill in a changing economy impacted by COVID-19 and its economic impact.*

Thank you for your attention to this important matter. Please contact Katie Spiker, Director of Government Affairs, at katies@nationalskillscoalition.org if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kermit Kaleba', written in a cursive style.

Kermit Kaleba
Managing Director, Policy
National Skills Coalition