



American Workforce Policy Advisory Board

Working Group: Measuring and Encouraging Employer-led Training Investments

On May 19, 2020, the Advisory Board approved a Call-to-Action that includes the goal to “remove obstacles to the modernization of American education and training to accelerate reskilling and facilitate innovation in workforce development.” Since then, the Advisory Board has been deliberating further on the barriers and paths to workforce development. We have reached immediate consensus in three areas to guide public and private sector efforts in creating successful lifelong learning opportunities.

The Advisory Board proposes that the National Council for the American Worker adopt the following recommendations:

- **Modernize the federal student financial aid system.**

The federal government must allow federal Title IV and other student financial aid for high-quality, short-term, market-aligned credential programs that stack into lifelong learning opportunities. Academic institutions and employers should be given greater flexibility to innovate, experiment, and improve education and training delivery models through high-quality, short-term, market-aligned credential programs alongside traditional education programs.

- **Expand employer-provided education assistance to support employees.**

Many American employees receive some form of tuition benefits from their employers as support for workforce development. Internal Revenue Code Section 127 allows for \$5,250 of educational assistance to an employee to be excluded from an employee’s gross income, and the CARES Act temporarily extended this benefit to include student loan payments by employers on behalf of employees. The size of the cap and the scope of the benefits should be adjusted to ensure the all Americans can benefit from their employer’s tax-advantage tuition investments. Congress should consider increases to the benefit cap in-line with necessary education and training expenditures.

Expanding Section 127 to include student loan repayment permanently and include

modern educational resource (e.g., laptops) purchases as types of employee benefits should also be considered. The scope of the benefits should be modernized to give greater flexibility to employees pursuing lifelong learning opportunities outside of the traditional educational model.

- **Encourage repatriation of strategic supply chains in underserved communities.**

The COVID-19 pandemic has spurred a re-examination of America's supply chain. Now is the time for the United States to secure supply chains for national security. We must enable a domestic value chain that promotes job growth and workforce development in key manufacturing sectors for underserved communities. Repatriating strategic supply chains to Opportunity Zones would bolster efforts to increase labor force participation, worker skills, and incomes in those areas, creating a huge win-win for the American workers and employers. Opportunity Zones are pre-identified economically distressed geographic areas where new economic development and employment opportunities can be transformative.