

State Policy Advocacy Project

for Financing Workforce Partnerships

In May 2008, the National Fund for Workforce Solutions selected three of its regional funding collaboratives to receive additional support to design and implement state policy advocacy projects specifically focused on policies that provide sustainable funding for workforce partnerships:

- The Bay Area Workforce Funding Collaborative;
- The New York Workforce Innovation Fund; and
- The Pennsylvania Fund for Workforce Solutions.

The one-year State Policy Advocacy Project is designed to inform strategies among all National Fund collaboratives for securing ongoing financing for workforce partnerships and their core functions. All three grantees will share with their peer regional funding collaboratives the lessons learned gained through the project on strategies, challenges, and successes. In 2009, Jobs for the Future will document and share this information with the workforce development field.

The Bay Area Workforce Funding Collaborative will design and implement a policy advocacy strategy around using both the Food Stamp Employment and Training (FSET) reimbursement program and philanthropic program-related investments to allow workforce partnerships to provide match funding and receive federal reimbursement (third-party match model). The project has four phases: a statewide education campaign to promote the third-party match model; policy and systems change strategies to expand FSET in California; piloting of the third-party match model in at least one Bay Area county; and exploration of program-related investments as a line of credit for third-party match providers.

The New York Workforce Innovation Fund will advocate for a change in state policy to allow workforce partnerships to use funds from the Food Stamp Employment and Training reimbursement program match to support their core functions. It will pursue both top-down and bottom-up strategies to accomplish this goal. Top down: the fund will work with the New York Association of Training and Employment Professionals to engage state-level policymakers and administrative agencies in support of the policy or regulation changes required to meet this goal. Bottom up: the fund will continue to strengthen the partnerships between the New York Workforce Development Funders Group and city workforce development agencies in support of FSET policy change.

The Pennsylvania Fund for Workforce Solutions will develop and advocate for bond financing to provide substantial and sustainable funding for the state's Industry Partnerships to help ensure that they become a permanent part of Pennsylvania's human capital industry. The fund is a statewide collaborative with gubernatorial leadership, which positions it to organize an effective workforce advocacy coalition. As the fund develops its workplan, its management committee is considering bond repayment options, including dedicating a small portion of the state income tax toward bond repayment or collecting a small payroll tax through the unemployment insurance tax system. Other financing policy strategies under consideration include an industry partnership payroll tax credit and support from state funding and regulation for specific industries.