



September 29, 2020

Office of the Assistant Secretary for Planning and Evaluation (ASPE)
U.S. Department of Health and Human Services (HHS)

Re: Request for Information on Federal Coordination To Promote Economic Mobility for All Americans

On behalf of our members, we write to outline some comments for HHS to consider as it develops a federal interagency Council on Economic Mobility (Council). Ensuring economic mobility for all has always been an important goal, but given COVID-19 and its impact on our country, a renewed effort to promote economic mobility, recovery, and resilience is even more critical.

The Massachusetts Workforce Association (MWA) is a statewide association representing the unified voice of the Commonwealth's workforce development system. Our members include an array of partners and stakeholders, including the MassHire Career Centers and Workforce Boards. Regionally, our members work to respond to the dynamic demands of businesses, job seekers, incumbent workers, and youth throughout the Commonwealth.

Like many states, Massachusetts has been severely impacted by COVID-19. As such, we face a lengthy and painful economic recovery. While our state has slowly started to reopen, we are facing historic unemployment, business closures and uncertainty, with many industries and communities being impacted worse than others. In the span of four months, we went from one of the lowest unemployment rates in the country at 2.8% to one of the highest unemployment rates in the country at 11.3%. While every industry has been impacted by the pandemic, the hospitality, restaurant, and retail industries have been severely hit, with many businesses and jobs in these sectors slated to never return. Unfortunately, a crisis like this strikes the most vulnerable in our population in the earliest, deepest and longest way possible. In addition, many of these individuals and families were barely getting by before the pandemic, working multiple low-wage jobs to support their families while living paycheck to paycheck.

Any steps the federal government can take to create more opportunities for the most vulnerable in our society will help ensure a more equitable recovery from this public health crisis. In the long term, finding someone a good job with family sustaining wages can save the federal government money and drastically improve lives. We offer the comments below as examples of successful collaborations and programs which are making a difference for



individuals and families throughout our Commonwealth. As requested, we have framed each of these examples in response to three of the questions included in the request for information.

Question 3.5: How are program cliff effects and high effective marginal tax rates impacting the economic mobility of individuals and families in your community? What methods are being used to address these challenges?

Over several years, the Commonwealth of Massachusetts has taken steps to combat the cliff effect issue, including targeted partnerships and funding. While the end goal is to move people off public assistance and place them in good jobs with good wages, these partnerships and programs have also looked to address a whole host of system barriers that makes it extremely difficult to achieve success (wrap around services, eligibility and income changes for various programs in different agencies, child care and transportation challenges, among other issues). One program that has been successfully designed and implemented in Massachusetts is the Learn to Earn Initiative (LTE) which is detailed below.

LTE, designed by the Executive Offices of Labor and Workforce Development, Education, Health and Human Services and Housing and Economic Development, is a comprehensive approach to providing individuals who are receiving assistance from public benefit programs with the supports, skills, and credentials they need to gain and retain employment in occupations for which employers have persistent demand. In 2018, the Commonwealth Corporation, a quasi-public workforce development agency, funded five regional partnerships as LTE pilot programs to develop and test models to serve participants in the context of their family/household. In 2019, two additional LTE pilot programs launched with a focus on people receiving disability benefits. In 2020, they will add up to three additional pilot programs focused on communities of color.

The program leverages the regional industry sector partnership model which involves MA's federally funded Workforce Development Boards and adds financial coaching, benefits counseling, and other family-focused supports. LTE helps participants set and achieve goals necessary for employment and sustained economic stability, such as maintaining and growing family net resources and minimizing the real or perceived potential impact of increased earned income on benefit receipt, including improving coordination across benefit programs and reducing benefit cliff effects.

Throughout the program design and implementation periods, the Executive Offices of Labor and Workforce Development, Education, Health and Human Services, and Housing and Economic Development continue to provide guidance on addressing benefit-related issues and examining opportunities to enhance economic stability. Additionally, they have focused on untangling conflicting policies and regulations where possible, and using their

ability through federal waivers and where the state has discretion to adjust asset limits and make program changes that support participants moving to work, rather than disincentivizing them. One great example is that MA no longer counts the first car in a household against the asset limits for receiving benefits. Many jobs are accessible to residents only by car, and making a car's value count against your benefit allocation was hurting many families and preventing some from making the investment necessary to access work.

This is just one example of a cross-agency/cross-Secretariat partnership, with targeted and continued funding, which is focusing on particular populations and slowly making a difference. While to date these pilots have been small, the concept is scalable over time and the relationships being built, particularly at the state level, will help address many of the cliff effect issues that continue to impact workforce development efforts in our state.

Question 3.7: What are the most significant challenges that prevent participants/recipients of federal workforce, work support, and housing programs from fully participating in such programs? Do these challenges present obstacles for participants in meeting their economic and employment goals? For example, are there barriers related to child care, transportation, health, disability, caring for a family member, substance use disorder, etc.?

There are many challenges that prevent program participation and completion. As is mentioned above, child care and transportation many times are the top barriers. In addition, a lack of knowledge by other agencies about the services that are provided by the workforce system can be a barrier as well (i.e. people not knowing there are resources out there to help them get a job).

Before COVID-19, child care was a huge barrier to both job training and participation in the labor market. Massachusetts has the highest child care costs in the country and access to affordable, quality child care has been a persistent challenge for families in the state. Waitlists for child care vouchers are consistently long. Particularly training at night and/or jobs with irregular hours/unpredictable schedules have made it very difficult for parents to juggle childcare with job responsibilities. COVID-19 has only exacerbated this problem tenfold. Whether it is in a daycare setting or K-12, many parents in Massachusetts still do not have full time care for their children. This makes working full time, whether remotely or in person, extremely difficult. Many are anticipating this will have lasting effects on our labor market.

While there are many challenges that still need to be addressed to ensure that folks can fully participate in training programs, pilots which target a select group of the population, and include multi-year funding, have been shown to produce successful outcomes. One

new partnership in Massachusetts has the potential to ensure recipients of Section 8 vouchers receive access to job training opportunities.

In Massachusetts, the MassHire workforce system (the federally funded WIOA workforce system in the state) and the Department of Housing and Community Development have begun piloting a partnership in four regions throughout the state. These pilots, titled the MassHire Career Program (MCP), designate funds for a local Career Navigator who is dedicated to serving families with DHCD Section 8 vouchers. This is a 5-year \$3M commitment which will fund positions at One-Stop Career Centers to focus on career pathway development and intensive client counselling and support. There are also flexible funds which can be used as barriers arise, such as filling in gaps for childcare and transportation costs, clothing/uniform costs, and school supplies; all things that would otherwise prevent someone from pursuing education/training/jobs. In addition, One-Stop Career Centers are encouraged to leverage other funding sources such as WIOA training funds to supplement the limited training dollars included in the pilots. Participants that earn wages that could affect their eligibility for housing support can enroll in the Family Self-Sufficiency program where those funds are placed in escrow so that the family can maintain their housing subsidy while saving toward their goals. Finally, the training programs are designed to be aligned with regional MassHire plans to ensure career pathways are aligned with industry demand in the region.

In addition to helping more vulnerable populations access job training opportunities, this partnership is developing relationships at the local level. When front line staff develop connections and have familiarity with programs and the unique needs of participants, there are better referrals, outcomes, and supports. It takes these types of multi-year funding commitments to foster the relationships at the local level, that over time, provide more opportunities and make differences in the lives of countless individuals and families.

A lack of rural public transportation options and the needed adequate funding to support regional transit authorities inhibits the ability of job seekers to obtain employment and employers to fill vacant positions. Last year the Massachusetts Department of Transportation funded competitive grants to pilot on-demand transportation programs. Franklin Regional Council of Governments received a grant to partner with private on-demand transport agencies to provide rides to services, jobs, and child care sites. COVID-19 has delayed the start of the pilot, but on-going funding to support this on-demand alternatives to expensive fixed route options is essential.

Substance Use Disorder continues to be a significant public health concern in Massachusetts in both urban and rural areas impacting limiting the ability of job seekers to work or retain employment and significantly impacting the workplace in terms of

absenteeism, separation from the workplace, reduced productivity, employee drug test failure, difficulty filling job vacancies due to workers unable to pass a drug test, and opioid related employee deaths.

Question 3.8: How can federal agencies better work together to help participants, including those facing multiple barriers, overcome these barriers in the short term and achieve economic mobility and resilience in the long term?

Flexibility, data sharing, and more funding.

- Flexibility: Too often federal funding is not flexible enough to help address the whole host of barriers that impact individuals from being successful in job training programs. For example, currently with the pandemic and many training programs and services being virtual, many job seekers need a laptop or internet connection to be successful. Too many cities and towns in Massachusetts have a lack of internet access and there remains a need for ubiquitous high-speed internet as a basic utility infrastructure. However, without flexible dollars, many workforce agencies cannot provide the targeted assistance that is needed and would help ensure folks not only enter training programs but stay in them. Allowing this local flexibility would allow Workforce Boards and Career Centers to respond to the realities on the ground in their respective communities.
- Data Sharing and Outcomes: Federal agencies must ensure that various agencies can share data on shared customers and that the required outcomes for those customers are aligned. Too often state IT systems can't talk and share information with their required WIOA partners. Therefore tracking and sharing customers becomes increasingly difficult. In addition, the required outcomes are not aligned across agencies. This makes programs less efficient and effective and creates more red tape and administrative headaches for workforce agencies.
- Funding: The federal workforce system is significantly underfunded as Congress has never funded it at its authorized levels. As such, workforce agencies cannot serve everyone that needs to be served, are often understaffed, and must increasingly rely on private grant dollars which have their own program requirements. This funding problem is even more exacerbated now as the public health crisis has caused record unemployment but the funding formula for WIOA has not yet caught up. For example in Massachusetts, our employment rate is over 11% but our workforce regions are being funded as if the unemployment rate is under 3%. This has a significant impact on service delivery and available training opportunities.

Other Recommendations for Consideration:

- While the MA minimum wage will slowly increase to \$15/hour by 2023, we need a national \$15 minimum wage that levels the playing field for all employers and ensures employees a base-line living wage.
- More affordable health insurance coverage so the burden is not on the employer and tied to a particular job.
- Exploration of innovative programs such as the Aspen Institute Economic Opportunities Program: [Workforce Strategies Initiative for policy proposals and best practices](#).
- See attached for our Department of Transitional Assistance's Economic Stability Roadmap, a good best practice for economic mobility measures.
- Family stability, well-being, financial management, education/training, employment and career pathways (see attached)

Providing more opportunities for all Americans is a laudable goal and more funding, coordination, and targeted support can and will promote economic mobility, recovery, and resilience - something that is desperately needed across our state and the country. On behalf of our members, thank you for the opportunity to share our comments.

Sincerely,



Tonja Mettlach
Executive Director
Massachusetts Workforce Association