Reclaiming the America Dream: Proposals to Empower the Workers of Today and Tomorrow

... the Republican Study Committee's American Worker Task Force presents this report, Reclaiming the American Dream: Proposals to Empower the Workers of Today and Tomorrow. Our conservative, solutions-oriented ideas take a fresh, innovative, and comprehensive approach to lift up and empower America's workers. We offer more than 100 concrete recommendations to accomplish three major objectives: 1) Refine our education system to better equip the American worker 2) Refocus labor policy to unleash the American worker 3) Reimagine welfare to empower individuals and families

Whether swinging a hammer, writing computer code, or hauling goods, America's workers are the backbone of our nation. The same strength and determination that built this country will bring us back to prosperity after the pandemic. Our workers don't ask for much in return—just a fair shot at their American dream. We owe them that much. Here is how we can deliver it.

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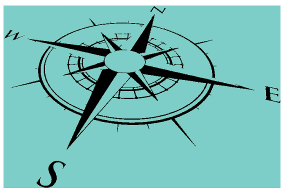

Republican Study Committee (RSC)

Stakeholder(s):

Workers :
What is “the American dream?” ~ If we asked 100 American workers to define it, we would likely hear 100 different responses. For some, it is securing meaningful work and providing a safe home and financial security for their family. For others, it is the chance to reach the pinnacle in their chosen field, to reach their God-given potential. And for almost everyone it is the idea that the next generation will have greater opportunities than they’ve had. However the American dream may be defined, it is a deeply personal aspiration which reflects an individual’s beliefs and values.

Conservatives :
As conservatives, we understand that every American dream is based upon two essential ingredients: liberty and opportunity. Both are necessary for people to be able to define, pursue, and achieve their goals. When American workers have confidence they can do so, the benefits extend far beyond the individual. That confidence strengthens families, our communities, and our nation as a whole. In short, the opportunity of upward mobility in our free enterprise system has been key to making and keeping America great.

Rep. Mike Johnson :
RSC Chairman

Republican Study Committee’s American Worker Task Force

Rep. Andy Barr :
Task Force Chairman

Rep. Paul Mitchell

Rep. Brian Babin

Rep. Tim Walberg

Rep. Glenn Grothman

Rep. Vicky Hartzler

Rep. French Hill

Rep. Ted Budd

Rep. Lloyd Smucker

Vision

Workers have a fair shot at their American dream

Mission

To lift up and empower America’s workers

Values

Liberty: Unfortunately, decades of often well-intentioned but ill-conceived government policies have restricted the liberty and opportunity of America’s workers. Consequently, far too many have been held back by a broken education system, sent unprepared into the job market, punished by ill-conceived labor laws, and even abandoned to the welfare state. Instead of solving these problems, politicians on the Left have made things progressively worse. This year, the COVID-19 pandemic and its related economic fallout have created even more obstacles to the pursuit of the American dream.

Opportunity: Before the pandemic began, President Trump and our previous Republican majority in Congress made great strides and enacted policy reforms that produced a record-breaking economy and unprecedented opportunities for all Americans. To return to that prosperity, we must reject the Left's dangerous calls for socialism and instead double-down on our strategy and advance even more conservative reforms.

1. Education

Refine our education system to better equip the American worker

Stakeholder(s)

American Workers

The pandemic has highlighted the need for a new approach to education. Our nation's K-12 and higher education systems are failing to adequately equip students to become tomorrow's workers. The federal government has historically exerted too much control over elementary and secondary curriculum and perpetuated the myth that a traditional four-year college degree is the only path to success. This "Bachelor's-or-Bust" mentality has been costly, especially for the millions of students who have incurred mountains of personal debt in pursuit of diplomas that return to them little value. The inability for our education system to evolve with the needs of our labor market will continue to leave students without the skills needed to compete in an ever-changing economy. A more thoughtful approach to America's education policy is long overdue.

1.1. Federal Role

Reduce the federal role in elementary and secondary education

Importance of Primary and Secondary Education ~ It should be no surprise that early education plays a pivotal role in employment, social, and even health outcomes later in life.

Stakeholder(s):

Civilian Labor Force :
For instance, among the civilian labor force, less than half of those who fail to complete high school are participating in the labor force.

High School Graduates :
In contrast, those who graduate high school are more than ten percent more likely to be participating in the labor force.

High School Dropouts :
The consequences of dropping out of high school reach far beyond unemployment. In fact, those who drop out of high school are 3.5 times more likely to be arrested than those who graduate, and 68 percent of incarcerated men did not graduate high school. Those who drop out of high school also have a lower life expectancy.

Children :
Collectively, these statistics remind us that providing our children with a quality education is critical to ensuring that they can lead fulfilling lives. Unfortunately, over the last 15 years, the U.S. has failed to consistently improve in a number of critical areas.

Organization for Economic Cooperation and Development :
In fact, our nation has remained relatively stagnant in math, science, and reading test scores, compared to other Organization for Economic Cooperation and Development (OECD) countries despite being in the top five for elementary and secondary education spending since 2009.

United States :
Furthermore, the U.S. ranks 19th in worldwide high school graduation rates among OECD countries. During the same time period, the U.S. passed the No Child Left Behind, a reauthorization of the Elementary and Secondary Education Act (ESSA) that significantly increased federal intervention in education and failed to significantly improve student outcomes when compared with other countries.

States :
While the most recent reauthorization of the Every Student Succeeds Act nominally reduced the federal role in elementary and secondary education, we believe much more can be done to send education decisions to the states.

1.2. Empowerment

Empower local educators

Empowering Local Educators ~ To this end, the Task Force recommends states have the ability to completely opt out of the burdensome and costly mandates created by the federal government and have the option to receive federal education funds in the form of a block grant. This proposal is largely based on the Academic Partnerships Lead Us to Success (A-PLUS) Act sponsored by former RSC Chairman Representative Mark Walker (NC-06). This reform would restore local control of our education system and empower parents and teachers to help ensure each child has access to a quality education. It would also allow states to consolidate funding, reducing bureaucracy and increasing transparency and accountability.

Stakeholder(s):

Local Educators

Students :
The Lefts' approach to elementary and secondary education policy is a top-down, one-size-fits-all model that requires students to fit into a certain mold and abandons those that do not.

Unions :
They fixate on increasing union influence in education policy and moving toward centralized education, rather than increasing opportunities for students with varied dreams and ambitions.

Conservatives :
Conservatives reject this approach because it has demonstrably resulted in a negative impact on American students.

States :
For instance, Common Core, which centralized common education standards and testing for states, resulted in significant negative effects in 4th grade reading, and a significant negative impact on 8th grade mathematics.

4th Grade Students

8th Grade Students

Local Education Officials :
By stymieing local education officials, Democrats have forced students to conform to a nationalized idea of success and learning and made those who learn differently feel inadequate and substandard.

Teachers :
Conservatives, on the other hand, believe that education policy should be set by parents, teachers, school boards and locally elected officials—not Washington bureaucrats.

School Boards

Locally Elected Officials

Rep. Mark Walker :
As described by former RSC Chairman Rep. Mark Walker, "Innovation starts in our communities, not in Washington."

1.3. Opportunities

Expand educational opportunities for all opportunities

Expanding Educational Opportunities for All Students ~ Education is a key component of lifelong opportunity.

Stakeholder(s):

U.S. Public School System :
Unfortunately, the U.S. public school system often traps students in schools that are failing, dangerous, or are simply a poor fit.

Low-Income Communities :
Furthermore, the failures of the public-school system are felt most acutely by low-income, disproportionately minority communities, who do not have the resources to seek out a better education.

Minority Communities

President Trump :
As President Trump has said, "School choice is the civil rights statement of the year, the decade and probably beyond. Because all children have to have access to quality education. A child's zip code in America should never determine their future."

States :
Across the country, states have chosen to expand choice in education through charter schools, voucher programs, and education savings accounts, so that students are able to access the opportunities they deserve.

Federal Government :
Additionally, the federal government has taken some steps in its areas of jurisdiction, including Washington D.C., to promote school choice policies.

Washington D.C.

Parents :
The Task Force emphasizes that during the public health emergency, as many public schools close and offer varying distance education options, school choice takes on increased importance. Many Americans are navigating new challenges in their lives as a result of the pandemic. Parents need the flexibility to seek out an educational arrangement that suits their unique situation, rather than be stuck following the school district in which they happen to reside.

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Stakeholders (continued)

Military Families :
The Task Force supports school choice policies within the proper scope of the federal government, including policies that provide choice to military families and students in the District of Columbia.

Students in the District of Columbia

State Officials :
Furthermore, the Task Force applauds the successes of state and local efforts to further school choice.

Local Officials

America's Youth :
Above all, the Task Force holds that the school system exists to serve America's youth and that all school policy should be student-centered rather than system- or union-centered.

Secretary DeVos :
Secretary DeVos recently suggested having federal education funding follow the student in the event that schools do not reopen, so that parents can access alternative educational options for their children. While this bold policy is especially important when many public schools may be closed, allocating funding to eligible children instead of schools is good child-centered policy in general.

School Districts :
The Task Force supports repurposing federal funding to school districts into vouchers or education savings accounts for children. This policy will empower students to access better educational opportunities, the benefits of which will continue into their adult lives.

Early Childhood Education Programs :
Advancing school choice is also critical for parents who opt to enroll their child in early childhood education programs.

Disadvantaged Children :
Early childhood education can help provide developmental opportunities for disadvantaged children, as well as give parents a safe option for child care during work.

Head Start Program :
Unfortunately, the Head Start program, a one-size-fits-all federal program that provides pre-school for low-income children, has failed to produce positive results.

Low-Income Children

Head Start Centers :
Furthermore, stringent federal regulations prevent innovation and flexibility in Head Start centers. As currently administered, this decades-old program is failing the very children it is intended to help.

Low-Income Families :
The Task Force recommends transforming the $10.6 billion Head Start program into a voucher program for low-income families, to be administered by the states.

Low-Income Parents :
A voucher program would empower low-income parents to choose an early education option that fits their schedule and their child's needs.

State Governments :
This change would also task state and local governments, rather than federal bureaucrats, with shaping program requirements to best serve their citizens.

Local Governments

Rep. Jim Banks :
The approach would be similar to that taken in Rep. Jim Banks' Head Start Improvement Act, which transforms Head Start funding into an early childhood education block grant, but would go a step further to require states to create a voucher program instead of simply allowing states to do so.

1.4. Skills & Competencies

Prioritize skills and competencies over degrees in federal hiring decisions

The Burdens of "Bachelor's-or-Bust"

Stakeholder(s):

High School Students :
Today, as soon as students get to high school, the pressure to attend college can become overwhelming.

Parents :
Parents, counselors, and peers often portray college as the only path to success. This mentality—one that is fueled by Democrats—is often referred to "Bachelor's-or-Bust."

High School Counselors

Students :
As a result, more and more students are feeling forced into attending college. In fact, half of students between the ages of 16 and 19 say that one of their reasons for attending college is because their parents want them to go. Once they begin attending college, some of these students are unable to keep up with the

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Stakeholders (continued)

course work. Or, since their decision to attend college was perhaps heavily influenced by outside pressure, they do not have the drive to finish their degree. For these and many other reasons, almost forty percent of college students do not finish their degree within six years, with many saddled in significant education debt. For those that do choose to pursue education after high school, post-secondary institutions can build upon skills learned in high school in order to prepare students for employment in their field of choice. However, the Task Force seeks to emphasize that a traditional college education may not provide the best path to success for every student, and in many instances can even negatively impact their lives. Democrats' Bachelor's-or-Bust mindset, on the other hand, perpetuates the notion that a college degree is the benchmark for success and stigmatizes fulfilling and potentially lucrative pathways that do not rely on a four-year diploma. It also produces a number of unintended and harmful consequences that completely undermine the value of the education it seeks to provide. It drives ever-increasing tuition costs, burdens students in crushing debt, and fosters low-value university programs that fail to adapt to the opportunities provided by an evolving job market.

Employers :
One unfortunate consequence of the Bachelor's-or-Bust mentality is that it exacerbates the problem of degree inflation—the idea that, while at one time a high school degree was sufficient to find a job, that same position now requires applicants to hold a college degree. Continuing down this path will make it nearly impossible for anyone who opts not to participate in a college program to find a well-paying job. While at one point in time, having a bachelor's or a professional degree made a person a more attractive candidate compared with other applicants, now having a degree is often a requirement to even be considered. As a result, students who may have at one time decided not to attend college are feeling obligated to get a college degree.

Colleges :
The limited extent to which an expensive traditional college degree significantly improves the earnings of some graduates also demonstrates the potentially high relative value of non-degree education paths. In fact, many college graduates end up in positions they would have been qualified for without their degree—not to mention without possibly thousands of dollars in education debt. Still others never finish their degree and walk away with substantial student loans.

College Dropouts :
Indeed, about half of students that drop out of college are in default on their loans and have nearly $14,000 on average in education debt.

Trump Administration :
For its part, the Trump administration has begun to prioritize skills and competencies over degrees in federal hiring decisions.

President Trump :
President Trump's recent Executive Order on Modernizing and Reforming the Assessment and Hiring of Federal Job Candidates requires the Director of the Office of Personnel Management (OPM) to revise job qualification standards so that job postings only require a degree when it is a legal necessity and only consider a degree advantageous when the education received directly relates to the job task.

Office of Personnel Management

OPM Director :
Additionally, the order instructs the Director of OPM to increase the use of skills assessments in hiring. The American Worker Task Force supports the Executive Order on federal hiring and recommends that Congress codify its directives into law.

University Systems :
Perhaps the largest burden imposed by traditional university systems is the exorbitant, and yet still increasing, cost of tuition.

Public Colleges :
Average annual tuition at private and public universities has jumped 154 percent and 181 percent, respectively, over the past 20 years. Over the 2018 – 2019 academic year, students at public colleges were expected to pay an average of $10,000 in tuition and fees.

Private Colleges :
At private colleges, the average tuition was nearly $37,000.

College Graduates :
Consequently, graduates often amass tens—or even hundreds— of thousands of dollars in education debt. The problem of student loan debt in the United States today is simply staggering.

Federal Reserve Bank of New York :
According to the Federal Reserve Bank of New York, Americans have collectively amassed about $1.5 trillion in total student loan debt. For context, that is larger than the entire Gross Domestic Product (GDP) of Australia.

Federal Government :
Additionally, over the next ten years, the federal government is expected to a lend another $1.2 trillion in federal student loans. This problem has become increasingly more dire on an individual level as more and more students take out larger amounts of debt.

Federal Reserve :
According to a 2019 Federal Reserve study, average student loan debt doubled between 2005 and 2014 among people between the ages 24 to 32. Fifty-four percent of young adults who went to college took on some debt, including student loans, for their education. The typical amount owed by those with out-

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Stakeholders (continued)

standing education debt was between $20,000 and $25,000. Graduates with bachelor's degrees carry an average of $31,172 in student loan debt. Perhaps more concerning is the fact that in 2018, two in ten of those who still owe money are behind on their payments.

Debt-Ridden Individuals :
Making the situation even worse for many of these debt-ridden individuals, there is too often a disconnect between their debt load and the earnings they receive in return.

Mary Clare Amselem :
For example, as Mary Clare Amselem of The Heritage Foundation points out: Interestingly, graduate programs—which are generally perceived to be good investments—are some of the worst offenders.

University of Miami Law School :
Students who graduate from the University of Miami Law School, for example, hold a median total debt of $150,896, but earn a starting salary of just $52,100.

New York University :
Even more problematic, students who obtain a master's degree from New York University in film/video and photographic arts graduate with a median total debt of a whopping $168,568, but earn a median starting salary of $29,600.

Mechanical Engineering Graduates :
However, depending on where a student goes to school and what their major is, earnings potential can be quite different. For example, at the University of Miami, students who study mechanical engineering graduate with a median total debt of $20,500 and earn a median starting salary of $66,400.

Political Science Majors :
However, political science majors graduate with similar debt, $18,269, but earn a median starting salary of $37,500.

Bachelor's Degree Graduates :
Considering these outcomes, it should come as no surprise that approximately two-thirds of graduates with a bachelor's degree regret some aspect of their education, and the most common regret is their student loan debt. Such regret was highest among students that majored in low-earning career fields.

Home Buyers :
Additionally, the effects of this debt do not just present a purely short-term financial problem for recent students, but often act an impediment to reaching milestones—such as buying a home and starting a family—that have become synonymous with adulthood development in America.

Newlyweds

Millennials :
A large contingent of millennials that graduated amid the Great Recession with significant loans have felt the burden of this debt perhaps more than anyone. While the Task Force is optimistic for a quick economic rebound following the COVID-19 pandemic, it fears another broad swath of indebted graduates will suffer the same consequences in the near future.

Democrats :
The present student debt crisis has led to more and more Democrats expressing support for proposals offering free college for all or some students. However, this so-called solution fundamentally ignores the root causes of tuition spikes and would actually exacerbate the problem, shift increasing costs to taxpayers, and create a whole host of new problems. For instance, Democrats' short-sighted approach of increasing federal subsidies for college education would actually incentivize institutions to raise their tuition to capture more federal dollars. Studies demonstrate a direct correlation between increasing federal subsidies and subsequent increases in tuition rates.

Federal Reserve Bank of New York :
According to a study published by the Federal Reserve Bank of New York, there is "a pass-through effect on tuition of changes in subsidized loan maximums of about 60 cents on the dollar, and smaller but positive effects for unsubsidized federal loans."

For-Profit Colleges :
Another study comparing for-profit colleges that receive federal funding with those that do not receive federal funding found that schools receiving federal funding charged 47 percent more for tuition.

Middle Class :
Furthermore, tuition inflation caused by subsidies to low-income students are felt most by the middle class. As tuition skyrockets, low-income students are shielded by federal subsidies and wealthy families are able to cover the high costs, while middle income families are increasingly squeezed.

American Enterprise Institute :
A 2018 study from the American Enterprise Institute found that between 1999 and 2016 as tuition prices and federal subsidies increased in tandem, the proportion of low-income students at selective universities has remained steady, while the share of the student body from the middle class has declined.

Middle-Income Students :
Increasing subsidies would require Democrats to provide more and more students with subsidies or accept that middle-income students could no longer have the choice to attend college because of its unaffordability.

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Student Debtors :
Similarly, Democrats also seek to reduce the amount of existing debt students must repay through generous student loan forgiveness programs. In the HEROES Act, Democrats proposed forgiving up to $10,000 of an individual's student loans, a radical and costly proposal.

Irresponsible Borrowers :
Again, these post hoc subsidies, which Democrats claim make college more affordable for students, would actually drive up the cost of college tuition and send the message that students who make irresponsible borrowing decisions will ultimately be bailed out by the federal government.

1.5. Alternative Education

Advance alternative education early

Advancing Alternative Education Early ~ The American Worker Task Force knows that students should be given the best chance at success in the path that best suits them upon leaving high school, whether it be a four-year degree, a two-year degree, a short-term certificate, or other forms of job training that lead them to stable, well-paying employment. Fixing the problems created by the Bachelor'sor-Bust mindset must start long before students fill out their first college application. From the moment that students begin their high school studies, they should not be deprived of meaningful exposure to education paths that are not contingent upon a traditional college degree. Our students must understand that career and technical education (CTE) and apprenticeship options are a viable way for students to achieve quality, highpaying jobs without incurring massive amounts of debt. Unfortunately, these programs have not always been presented as an alternative to college. In the 1980's, graduation requirements began to change, and students were required to take more courses, like foreign languages, in order to graduate high school.40 While learning a foreign language may be helpful when applying for college, it is not necessary for students that plan to take a CTE path. As a result of these increased graduation requirements and the societal pressure to pursue a four-year degree, the number of CTE credits high school students earned dropped by 14 percent between 1990 and 2009.41 The Task Force urges lawmakers to undertake reforms to current programs and funding streams to ensure that students have adequate support and opportunity to pursue careers under a CTE path. Foremost, the Task Force recommends that lawmakers reallocate existing resources to amplify CTE opportunities for students in middle and high school. For instance, Federal TRIO Programs received $1.16 billion for Fiscal Year 2020 and according to the Department of Education are "among the Department's largest investments aimed at getting more students prepared for, into, and through postsecondary education." In other words, they are designed to usher students toward a traditional college. Similarly, Gaining Early Awareness and Readiness for Undergraduate Program (GEAR UP), "provides funds to States and Partnerships for early college preparation and awareness activities to help low-income middle and high school students prepare to pursue post-secondary education" at a cost of $360 million annually. If even half of such funding was reallocated, CTE funding would increase by nearly 60 percent.

1.6. Subsidies

Reduce Federal education subsidies and their distortionary effects

Reducing Federal Education Subsidies and Their Distortionary Effects ~ To ensure that students have as many affordable education options as possible, lawmakers must also take steps to curb the rapid rise in the cost of college tuition. Rather than spur urther tuition inflation as Democrats' policies would do, the Task Force realizes that the federal government must reduce its overall role in subsidizing education costs. This includes limiting subsidies in the form of federal student lending at the graduate and undergraduate level, loan forgiveness programs, and ineffective tax credits. For instance, the Task Force recommends eliminating the Parent PLUS and Grad PLUS loan programs. These programs have encouraged students and their parents to borrow large amounts of money and have contributed to the growth of tuition. The $21 billion PLUS loan program provides federal loans to graduate and professional students, and the parents of undergraduate students. Those taking out loans are able to borrow up to the full cost of attendance, regardless of income. Additionally, these loans do not have an aggregate cap, a programmatic flaw that facilitates over-borrowing and contributes to tuition inflation. In the 2017-2018 award year, 839,000 parents borrowed an average of $15,173 in Parent PLUS loans, while 403,341 graduate/professional students borrowed an average of $24,048 in Grad PLUS loans. A 2016 study found that changes in Parent PLUS eligibility that reduced the number of eligible borrowers resulted in a $487 reduction of net tuition.42 Schools that had a high number of newly ineligible PLUS borrowers saw a $1,372 decrease in published tuition. The Task Force also recommends that lawmakers recalibrate the borrowing caps on federally funded undergraduate student loans for independent students to promote responsible borrowing and discourage tuition hikes. Under current law, independent students are eligible to take out a total of $57,500 in federal loans for their undergraduate schooling. However, this aggregate cap is higher than the average cost of attaining a four-year college degree, and thus could be unnecessarily contributing to our nation's tuition inflation problem. The Task Force also recommends that other federal subsidies, specifically student loan forgiveness and tuition tax credits,43 should be eliminated. Not only have these shown to benefit students with higher income more than students with lower income, they have failed to demonstrate effectiveness in increasing higher education rates and may be contributing to inflated tuition rates.44 Additionally, while the Task Force does not advocate for the continued existence of the student loan interest payment deduction, it does believe that if it is to continue to exist, it should not, at the very least, penalize eligible taxpayers when they get married. Rep. Vicky Hartzler (R-MO) has introduced legislation to eliminate the marriage penalty contained in this deduction, which could be paired with deficit reducing reforms to make it budget-neutral.

1.7. Distance Education

Modernize distance education policy

Modernizing Distance Education Policy for Current and Future Students ~ Student loan debt has spiraled out of control, driven in large part by federally-subsidized college tuition. Students typically pay a premium for the on-campus experience and in-person access to professors and mentors, especially at private colleges. Due to the COVID-19 pandemic, many universities announced plans to provide partially or completely online education for the 2020-2021 school year. Many of these schools will not be charging room-and-board for the semester but will also not be decreasing tuition. For example, Harvard University is planning to teach all classes remotely and heavily restrict oncampus housing, but will not be lowering its $49,653 tuition for the semester.46 Colleges that choose to close their campuses for the 2020- 2021 school year for public health reasons may choose to do so, but their access to federal funds should reflect this change. To this end, the Task Force recommends that the cap on maximum student loans be adjusted for students attending a college that typically provides on-campus instruction but will be providing remote instruction to account for the removed cost of room-and-board and to reflect the change in services that the university is providing. Furthermore, should Congress provide further aid to institutions of higher education, the availability of on-campus classes should be taken into account. Colleges providing on-campus instruction during the pandemic may experience increased costs as a result of social distancing and other public health measures. Congress's allocation of aid should reflect the increased responsibilities of schools that have chosen to continue in-person education. The allocation of aid should also reflect the decreased expenses associated with complete remote schooling as it relates to campus upkeep and the general provision of an on-campus experience. While the Task Force believes that federal funding streams and student debt should reflect disparate levels of expenses associated with in-person and online instruction, it overall is supportive of innovative instruction methods that could reduce costs for students and open education opportunities to more individuals. Virtual classrooms are the lynchpin for such efforts, and the pandemic has helped to highlight this fact. Because the public health emergency disrupted the spring semester for on-site learning on college campuses, the Department of Education provided broad approval for any existing on-site higher education program to be transitioned to a distance program without the usual Department of Education approval.47 Under normal circumstances, an institution that has already received departmental approval for on-site learning must obtain separate approval to conduct that same education as a distance program. The American Worker Task Force supports the Department of Education's distance education flexibility and recommends that Congress permanently codify this standard into law. Institutions that can provide distance education have the potential to reach more students without the physical constraints of a campus and allow students to receive an education from a far-away institution without having to relocate or pay costly room-and-board. Allowing approved, accredited institutions to also offer distance education without a separate approval after the pandemic creates parity between on-site and distance learning and expands access to high-quality education. Nontraditional students, working students, and those who want to spend less on higher education could all stand to benefit from increased opportunities for distance learning.

1.8. Value & Lending

Enhance educational value through private lending

Enhancing Educational Value Through Private Lending ~ The Task Force recommends that lawmakers embrace the increased role of private education lending that would emerge once the federal government begins to reduce its monopoly over the market. One critical flaw of federal student lending is that it does not meaningfully account for labor market trends and future earning potential. This has produced a public lending system that is blind to whether or not a student loan is a worthwhile investment. Periods of economic uncertainty, such as now, highlight why it is important for education investments to account for changes in the labor market. By restricting the federal government's role in the student loan market, the Task Force seeks to enable private lending that can assist in guiding students toward educational paths that will provide them with the best return on their investment. Also, the private market is not bound by the complicated statutory framework that limits federal loans, but instead is freer to develop innovative lending mechanisms that benefit students and lenders alike. While private lending is currently available, it has largely been crowded out of the market by the abundance of federal student loans, which are subsidized by the taxpayer. In the 2006- 2007 and 2007-2008 aid years, $27 billion in nonfederal loans were extended to students; 48 for the 2018-2019 aid year, this was cut in half to $13.1 billion.49 During the same time period, federal student loans increased by $10 billion.50 The crowd out effect of federal student loans is perhaps best demonstrated by the change in borrowing behavior among graduate students when borrowing caps were removed on PLUS Loans in 2006. Prior to this change, graduate students used private credit to cover about 20 percent of the gap between their cost of attendance and the maximum borrowing cap.51 After PLUS loans were uncapped, these students shifted to using PLUS instead of private loans. Meanwhile, undergraduates, whose loans were not uncapped by the 2006 reforms, actually increased their private borrowing.52 Although private graduate loans more often had lower interest rates, it is likely that other federal loan benefits, such as income-driven repayment options attracted graduate borrowers.53 Higher education spending is an investment in every sense of the term—it creates present costs to produce future benefits. Given the magnitude of the borrowing decisions made by recent high school graduates, lawmakers should ensure that our student lending system is focused on the future success of student borrowers. Unfortunately, the fact that all federal student loans are offered at the same interest rate promotes the inaccurate belief that a student's institution and field of study have no bearing on whether or not a graduate will be able to repay their student loan. In reality, a student's field of study and their institution have arguably the greatest effect on their future income. Private lending decisions could incorporate these important factors. Consequently, enhancing private lending options would naturally guide more borrowers toward education paths that prepare them for careers in sectors with more demand for workers. In contrast to the blind lending system currently utilized by the federal government, private lenders would more heavily weigh factors such as academic performance, the institution the student has chosen to attend, and the program the student has chosen to study. Private lenders recognize an education from the right program will increase a student's income potential, easing the burden of student loan repayment. Furthermore, a shift toward a more responsive private lending model would push postsecondary education institutions to adapt their programmatic offerings to enhance options that provide the greatest value after graduation. One common argument made in favor of a large federal student lending role is that private lenders will require a parent cosigner because students rarely have the credit or finances to support an unsecured loan (i.e., without collateral). In this way, critics of private lending argue, private credit will disadvantage lower-income students. However, these critics fail to recognize that private lenders can offer innovative products that would extend accessible credit to disadvantaged students that are not contingent upon their past, but rather their future. One innovative non-federal financing mechanism strongly supported by the Task Force is the income-share agreement (ISA). ISA's are outcome-based arrangements that do not rely on existing collateral or the credit of a parent. Instead, ISAs allow a student to commit a percentage of their future income for an agreed upon amount of time in exchange for funds to pay for college tuition, workforce development, or other purposes. Additional capital and investors in this arena will incentivize educational institutions to help students graduate and succeed in the long-term. Further, as Richard Price of the Christensen Institute explains, “[d]ata from the income share agreement market could generate important insights regarding which practices, programs, and providers add the most value for students, driving institutions to reallocate their resources accordingly.” For these reasons, ISAs are frequently provided by vocational and skills-based training programs, such as increasingly popular data science programs and coding. Recognizing the potential value of ISAs, the Trump administration is expected to announce a pilot program that would make it easier for higher education institutions to make them available to students.54 However, until now a lack of regulatory clarity has deterred potential investors from backing programs that seek to offer ISAs to students. For instance, there is debate whether ISAs should be treated as loans or instead as non-loan financial contracts. To ensure that ISAs are not overly burdened by regulations linked to loan instruments, the Task Force recommends that lawmakers clarify that ISAs are not student loans but rather should be entitled to their own legal treatment. Accordingly, the Task Force supports establishing a legal framework under which ISAs can flourish and, among other things, would provide tax treatment clarity for students and ISA providers. The Task Force is also supportive of the private market developing other innovative education finance mechanisms that are disruptive to the status quo. For instance, certain private lenders only finance loans to students attending coding boot camps that meet certain performance benchmarks. Others partner with institutions that demonstrate a proven return on investment. Reducing the federal governments student lending monopoly will naturally result in the prevalence of more innovative, nonfederal lending practices. Although pulling the federal government back from student lending will help make room for more private lenders, more can be done to ensure more private lenders underwrite on a forward-looking basis. As pointed out by Andrew Kelly and Kevin James of the American Enterprise Institute, “Ironically, fair lending laws intended to ensure equal access to credit may actually limit access for those who need it. After all, if private lenders rely almost exclusively on traditional criteria such as FICO scores—which regulators have accepted even though they are highly correlated with race and income—then disadvantaged students will have less access to credit.” But in order to foster innovation in lending based on a student’s future earning potential, lenders should be able to take Cohort Default Rates (CDRs), or some similarly informative metric, into account when making lending decisions. Critics argue that institutional CDRs correlate to the number of minority students at a school and thus may run afoul of fair lending laws. However, lenders argue it is essential for business and there is not a less discriminatory option. Mounting this defense against regulatory challenges can be difficult and costly. Consequently, private lenders may be deterred from lending and developing innovating credit models that would encourage student success. To help provide more certainty, the Task Force recommends a clarification of fair lending requirements to allow for CDRs and similar metrics to be used in private education lending.

1.9. Outcome Metrics

Incorporate employment outcome metrics into federal funding of postsecondary education programs

A Market-Based Approach to Federal Education Financing ~ For the vast majority of students, the purpose of achieving a college degree is to get a better job, receive career-specific training, and increase one’s earning potential.58 However, there is a serious disconnect from this goal at the institutional level. Colleges are too often focused on completion, not on employment. The current system provides little incentive for institutions to prepare students for well-paying jobs that may be readily available after graduation. Thus, in conjunction with a marked reduction of federal student lending, the Task Force supports policies that would make remaining federal student lending more responsive to evolving labor market needs. The crux of such policies would require federal lending decisions to incorporate a student’s future earning potential. Several promising proposals exist that seek to achieve these ends. The Task Force supports a proposal included in the PROSPER Act, introduced by Rep. Virginia Foxx (NC-05), that would require student loan repayment rates to be calculated at the program level, as opposed to an institutional level, for purposes of determining whether students enrolled in that program can receive federal loans.59 This reform would make student aid more dynamic and responsive to labor market trends while actively informing students as to which programs produce highpaying and in-demand careers. Programs that successfully prepare their students for well-paying jobs after graduation would no longer be able to prop up programs that produce degrees of questionable market value. The Task Force also recommends this reform be implemented in tandem with prospectively decreasing the amount of federal loans students can borrow on a program-by-program basis. Ideally, this determination would be based on data demonstrating the value of the program, namely future earnings. Fortunately, the Department of Education reportedly intends to implement a pilot program similar to this concept. The program would allow individual colleges to place limits on the amount of federal debt a student would be able to accumulate based on their field of study. These reforms should produce a number of benefits for both the student and the taxpayer. For instance, these reforms should reduce default and forgiveness rates to ensure that taxpayer investments are repaid in a timely manner. They also could spur innovation in how colleges and universities price their programs. Higher education institutions should be encouraged to price programs appropriately to the degree fields their students are pursuing instead of the one-size-fits-all model that is common at today's higher education institutions. In order to ensure that educational institutions are focused on giving students the skills they need to find well-paying jobs, the Task Force believes colleges should have more "skin in the game" so that they are not churning out debt-riddled students with low-value degrees. While not all poor post-graduation outcomes can be attributed to the education institution, more should be done to hold chronically underperforming schools accountable for the financial burden their students accumulated while attending their institution. In other words, schools need to hold up their end of the bargain too. Accordingly, the Task Force recommends requiring schools to repay some percentage of a graduate's debt if the default rates of their graduates pass a certain threshold, say 10 percent. The percentage that must be repaid by the school should increase relative to the amount the default rates surpass the threshold. This proposal was offered by the Opportunity America, AEI, and Brookings Working Class Study Group.61 It should result in schools focusing on fields that are in highest demand and ensuring that their programs will help graduates to transition to a high-paying job. Thus, students will be more likely to repay their student loans and earn a wage worth their investment. Another strategy supported by the Task Force that is largely used at the state-level is linking performance-based funding to employment outcomes. This approach has been used most notably by the Texas State Technical College (TSTC) system where funding is entirely dependent on employment outcomes.62 This has resulted in a closer relationship between the school system and employers, and every decision being considered through the lens of 'will this increase earnings and employment for graduates?' In the first year, TSTC has recorded 18 percent more job placements, and a 21 percent increase in combined earnings. The Task Force recommends lawmakers further foster this approach by incorporating employment outcome metrics into federal funding of postsecondary education programs, including career education programs, that stress the value of the program for the student. According to Dr. Amy Li of the University of Northern Colorado, "Median starting salaries, as well as the percent of graduates employed after 9 months, are two outcomes already being collected that illustrate the economic value of a degree."

1.10. Connections

Connect educators and employers to ensure that graduates are better equipped for the job market

Connecting Educators and Employers ~ The Task Force, and the vast majority of students, realize that the end goal of the education system is to ensure that each graduate will be better equipped for the job market. However, there is a great disconnect between those providing the skills and education to future employees, and the actual employers. In order to ensure a student's schooling is adequately preparing them to be productive employees, we need to ensure that educators and those drafting and amending curriculum are speaking directly with employers to find out what skills are most valuable to them. To ensure that necessary skills are being passed along to students, the Task Force recommends that lawmakers require accreditation boards to include business representation, as proposed in the PROSPER Act.66 Doing so will ensure that accreditors draft standards that are reflective of the needs of employers, which will result in graduates that are better equipped for the workforce. The Task Force also recommends that lawmakers go one step further by allowing schools to partner with skills-focused organizations, such as private businesses, to allow these organizations to teach up to 100 percent of a program available at that school. Schools are normally prohibited from allowing these outside organizations to teach more than 50 percent of a program. This would establish a stronger link between education and employment, ensuring that students gain the skills they need to attract employers. A coding boot camp, for instance, could partner with a community college to teach a coding course to students at the school. This approach is already being used pursuant to the Department of Education's Educational Quality through Innovative Partnerships (EQUIP) Experiment pilot program but should be made available nationwide.67 Marylhurst University took advantage of the pilot program to partner with Epicodus, a local software coding school, to offer a 27-week certificate program in Web and Mobile Development.68 Lawmakers, however, must implement this reform in a manner that does not add to overall federal education subsidies, but rather focuses on leveling the playing field between traditional courses of study and alternative paths offered through these partnerships. The Task Force also recommends that Congress reform the federal work-study program (FWS), to ensure the program provides participants with valuable experience that will ensure they are well positioned to enter the workforce after graduation. Under current law, only 25 percent of an institution's FWS funding can be awarded to students that are working at private sector companies. The Task Force supports removal of this arbitrary cap, enabling students to get real-world job experience that would enable them to make a smooth transition to the workforce. The Task Force also recommends that the federal government treat all work the same and require all employers to meet the same federal match requirement. Under current law, the FWS program requires an employer to provide 50 percent matching funds. However, if a student is employed in certain positions that are considered community service, like tutoring, the federal government is required to provide more than 50 percent of a student's compensation, and may provide up to 100 percent.69 The federal share of a student's compensation may also reach up to 90 percent in certain circumstances if the student is working at a nonprofit or government agency. The Task Force supports leveling the playing field in the FWS program, allowing for all work to be treated the same. Accordingly, it recommends eliminating the requirement that institutions spend 7 percent of their federal work-study funding on students that are employed in community service positions so that institutions can better focus on work-based learning positions. These provisions, which the Task Force believes would greatly enhance the FWS program and realign the program's focus to preparing students for the workforce, are based on provisions included in the PROSPER Act.70 While these measures would help guide students towards high-paying fields, provide them with real-world experience, and more closely align education with future employment, we still should be providing students with as much information as possible to help them make better informed decisions about the repercussions of their borrowing decisions, which institutions they should attend, and which degree programs they should pursue.

Stakeholder(s):

Educators

Employers

1.11. Transparency & Information

Increase transparency and information available to students

Increasing Transparency and Information Available to Students ~ One important and immediate step lawmakers should undertake to help stem the tide of growing student loan debt is to ensure that students are fully aware of the repercussions of taking out massive amounts of student loans before and while those loans are piling up. Many graduates end up blindsided by the amount of student loan debt they carry when they graduate and are sent their first bill. To this end, the Task Force recommends enacting the Empowering Students Through Enhanced Financial Counseling Act, introduced by Rep. Brett Guthrie (KY-02). Under current law, an institution is required to provide entrance counseling to first-time federal student loan borrowers. This legislation would expand loan counseling requirements to federal Pell Grant recipients and Parent PLUS loan recipients, transition entrance counseling to annual counseling, and require each student to receive average loan and employment data. The bill would also expand exit counseling requirements to include an outstanding loan balance summary, and the anticipated monthly payments under standard and income-based repayment plans, and provide the option to pay accrued interest before it capitalizes. By providing this information to students before they take out student loans, and annually each year, we can ensure that every student is fully aware of their financial situation while they still have the ability to make changes. Conservatives believe in the power of choice and the competition that it creates. However, in many instances, a lack of transparency presents a barrier to a truly competitive market, as is the case in higher education. In order to empower students to make informed decisions about their future, we need to give them usable information. Students who have access to information on outcomes, jobs, and wages are able to make informed decisions about their future. However, federal law acts as a barrier to enhancing transparency with respect to education outcomes. Currently, the Higher Education Act prohibits connecting employment outcomes to the participants in an educational program. Moreover, data is only available with regard to students that received federal financial aid. The Task Force recommends that this restriction be reformed, with strong privacy safeguards and "de-identifying" requirements, so that students can make value-based decisions with regard to their educational future. One proposal, the College Transparency Act, introduced by Rep. Paul Mitchell (MI10), would create a secure, privacy protected student-level data network within the National Center for Education Statistics (NCES) using strong security standards and data governance protocols.71 Another simple way to increase the amount of information to which a student has access is to require institutions to report on articulation rates. The Task Force recommends that colleges that accept federal aid funds be required to report what percentage of students who ask for their credits to be transferred to another post-secondary institution are actually able to transfer those credits. Greater transparency will encourage institutions to ensure their courses can be transferred, and empower prospective students to make informed decisions, especially if they plan to transfer at some point during their college career. The Task Force also recommends that outcome-based data be integrated into the accreditation process. Presently, such accreditation decisions are based solely on factors like instructor credentials, facilities and student services, rather than on the success of students.72 This unfortunately is missing the factor that matters the most for students—their ability to leverage their education into a bright future. Such a reform reinforces the notion that a student's education is an investment for which they expect a return. Placing a school's accreditation on the line would enhance accountability among higher education institutions. Finally, the Task Force also supports increasing transparency for the American taxpayer. To ensure that the American public understands the true costs of the federal loan portfolio, the Task Force recommends that lawmakers require federal budget writers only use fair-value accounting when determining the costs of our federal student loan programs. This would ensure the true costs of these programs are included in the federal budget and also make it easier to institute reforms to make these programs more efficient. As the Congressional Budget Office has pointed out, the current accounting rules hide the real cost to the taxpayers of several programs. Under the current accounting rules, new federal student lending in Fiscal Year 2019 would supposedly generate $4.1 billion for the Treasury. But, in reality these new loans will actually cost $16.1 billion, as revealed when using fair-value accounting. While these proposals will help those pursuing a bachelor's degree, additional reforms are needed to ensure those who choose not to attend a four-year institution still receive the training they need to become successful.

1.12. Career & Technical Education

Support career and technical education

Supporting Career and Technical Education ~ Unfortunately, the current education system largely sustains the mistaken belief that a traditional bachelor's degree is the best, if not only, way a person can maintain a successful career. In actuality, many skilled workers go on to high-paying jobs, without the thousands of dollars in student debt their college graduate counterparts carry. A recent study of post-secondary education in Colorado found that students that earned a shortterm certificate in Allied Health Diagnostic, Intervention, and Treatment Professions, Criminal Justice and Corrections, and Fire Protection, actually earned more than certain graduates with a bachelor's degree one year, five years and ten years after graduation.74 Furthermore, graduates with short-term certificates in Criminal Justice and Correction and Fire Protection earned more than the median salary for all bachelor's degree holders in years five and ten. Bachelor's degree holders in six programs of study were actually earning less than the median earners for all short-term certifications in year ten. In addition to often earning more, graduates from certain shortterm certificate programs completed their education with an average of $12,000 less student loan debt than graduates with bachelor's degrees.75 Yet, parents and high schools continue to push students to attend college.76 Because there is such an emphasis on attending college, employers are having a difficult time finding skilled workers. For example, according to a survey conducted by the Association of General Contractors, 80 percent of contractors are having difficulty finding qualified craft workers.

1.13. CTE Programs

Level the playing field for CTE rograms

Leveling the Playing Field for CTE Programs ~ College is not the only path to success, and the Task Force strongly supports challenging that narrative. While Congress cannot change public perception of the trades overnight, it can make a difference on how skilled professions are perceived by ensuring that four-year colleges are not favored over CTE programs in federal student aid. Thus, Congress must start by leveling the playing field between traditional colleges and career and technical (CTE) programs, which will help increase CTE opportunities for students. The first step to leveling the playing field for CTE programs is to equalize federal funding opportunities. The federal government should help break the stigma that a four-year college degree is the only path to success by allowing short-term CTE programs to qualify for the same federal funding opportunities for which traditional four-year college students and long-term technical education program students qualify. Under current law, Pell Grants may only be used for federally accredited programs that lead to traditional four-year college degrees or provide a training program that is at least 15 weeks in length and provides a minimum of 600 clock hours of instruction. This inflexibility excludes certain short-term and non-degree programs offered by nontraditional education providers. As a result, students who are otherwise eligible for Pell Grants are discouraged from participating in shorter-term programs that may provide them with opportunities to find highpaying jobs with less student loan debt. It also disincentivizes Pell-eligible mid-career individuals from being able to acquire certifications to advance their career. The Task Force recommends that Congress address this inequity by amending the Higher Education Act so that Pell Grants apply to short-term career and technical education programs. This is the approach taken by the Pell Flexibility Act, introduced by Rep. Jim Banks (IN-03).78 Other types of Title IV financial aid, in particular federal student loans, are also limited in this way. The Task Force recommends that lawmakers explore opening such federal financial aid to short-term programs, enabling more students to quickly gain skills in high-demand industries, and increase their earning potential. However, the Task Force warns that any eligibility expansion should not be allowed to increase the total amount of federal dollars spent on these programs. Additionally, the transparency and accountability measures proposed by the Task Force should be applied to these programs as a prerequisite for eligibility to ensure that students' investments are protected. Federal student aid programs are not the only tools students and parents have to help pay for post-secondary education. Using a 529 savings account, families are able to save their own money tax-free, to pay for qualified education expenses. Funds can be used to save for college expenses, like tuition and books, and up to $10,000 of K-12 expenses. However, families are only able to use 529 funds on trade school programs at colleges that are eligible for Title IV federal student aid. Again, this excludes certain short-term non-degree programs offered by nontraditional education providers. To better equip parents to save for their child's education, the Task Force recommends that 529 accounts be transitioned into Lifelong Learning Education Savings Accounts, which would be allowed to cover pre-kindergarten, home-schooling expenses, additional educational expenses, short-term degree programs, job training programs, and other educational programs. It is also worth noting how helpful Lifelong Learning Education Savings Accounts would be to many parents as they grapple with the realities and expenses of home-based education during the COVID-19 pandemic. Additionally, the federal government can reduce some of the burden on training providers participating in the Workforce Innovation and Opportunity Act's (WIOA) training programs. WIOA allows students to use federal funding toward eligible training programs, subject to certain requirements. Under these requirements, eligible training programs must collect and report student information on completion rates, earnings, and employment. Information must be collected on all students, even if only one of the program's students is receiving WIOA funding. These reporting requirements are much more onerous than those for institutions receiving federal financial aid under Title IV of HEA, even though significantly more taxpayer dollars are disbursed through federal financial aid than WIOA. As a result, these reporting requirements can serve as a disincentive to participation for smaller programs, like community colleges, that don't have the necessary infrastructure in place and find this information difficult to track. A recent report found that participation by training providers dropped by 80 percent once programs were required to provide performance information, a result of public colleges opting not to participate. The Task Force supports reforms that would right-size these reporting requirements to make it easier for eligible training programs to participate in WIOA. Some options include only requiring programs to report information on participating students, instead of all students participating in the program, or only requiring programs to report data on all students if the percentage of students receiving WIOA funding meets a certain threshold. Another option would be to shift data collection to a relevant state or federal agency that is better equipped to track the necessary information. While having access to performance data is necessary to evaluate the effectiveness of a program, the current reporting requirements need to be tailored to ensure they are not counterproductive. Lastly, the Task Force voices it support for state-level efforts to make credentials "stackable." This approach, led by community colleges across the nation, involves awarding credentials— usually in the form of a training certificate—on a segmented basis instead of requiring completion of a degree program. Students may decide to earn a single credential to utilize that skill immediately in the workforce. Later they could stack new credentials on their original one to build a more comprehensive credential portfolio or eventually earn a full degree.

Stakeholder(s):

Career & Technical Education (CTE) Programs

1.14. Hiring Assessments

Expand opportunities for skilled workers by clarifying allowable hiring assessments

Expand Opportunities for Skilled Workers by Clarifying Allowable Hiring Assessments ~ Workers should be able to access job opportunities based on their skills and experience, even if they do not have a college degree. Unfortunately, a provision of federal law, paired with misguided labor case law, encourages businesses to screen applicants based on whether or not they have a degree. As Frederick Hess at the American Enterprise Institute has explained, well-intentioned provision of the Civil Rights Act of 1964 prevents employers from using hiring assessments so long as they are not "designed, intended, or used" to discriminate against a protected class.81 However, federal courts have interpreted this standard to hold any assessment that has a disproportionate impact on a protected group as unlawful unless the employer can prove that the assessment is directly job related and is the assessment option that has the least adverse impact. In one revealing example of this standard, a federal court held that a physical fitness test for railroad workers, which male applicants passed at a higher rate than female applicants, was unlawful.82 The same scrutiny has not been applied to employers using degrees as a screening tool, even if the degree earned has little or no relationship with the duties of the job being filled. This dynamic encourages employers to require a college degree as a rough proxy for abilities that could otherwise be determined in assessments. The widespread practice of screening prospective employees based on having a degree increases the pressure for young people to obtain a degree that they don't want and unnecessarily bars qualified workers from job opportunities.83,84 In order to reduce this unintended consequence, while maintaining the integrity of the Civil Rights Act, the Task Force recommends that Congress amend Title VII of the Civil Rights Act so that hiring assessments may only be found unlawful if there is intent to use the test to discriminate against a protected class or if the assessment has no reasonable connection with the duties of the job. This change will encourage companies to use assessment tests effectively and fairly, ensuring that more workers will be able to reach their full potential in the workforce without having to obtain an unnecessary degree.

Stakeholder(s):

Skilled Workers

2. Labor Policy

Refocus labor policy to unleash the American worker

Stakeholder(s)

American Workers

Even after the historic regulatory reforms achieved during the Trump administration, today's labor market is smothered by excessive and burdensome government red tape. Senseless regulations, counterproductive tax policies, and labor laws that subjugate workers all hinder human capital and individual achievement. The status quo is failing the American worker, particularly during the COVID-19 pandemic. Our approach would unleash the full potential of the American people by refocusing labor policy to provide workers more control over their own future.

2.1. CTE

Prioritize career and technical education

Prioritize Career and Technical Education by Increasing Apprenticeship Opportunities ~ In the previous section, the Task Force outlined recommendations to help redefine education to better equip the American worker. For some, a traditional four-year degree is necessary to achieve their particular career goals, while others are not well served by four-year institutions. Instead, they find great success in alternative training pathways. Apprenticeships are an excellent way for workers to receive education and training specifically targeted towards a particular career opportunity. These apprenticeship programs can lead to high-paying jobs after completion without the need to pay out-of-pocket tuition, and in many cases, while earning a paycheck. These burgeoning alternate pathways may serve a greater role in workforce development as our economy emerges from the pandemic. According to the Department of Labor, the average starting wage for an apprentice is $15.00 an hour. Furthermore, Americans that pursued an apprenticeship earned an average of $6,595 more than those in similar jobs that did not. Moreover, these careers are often situated in industries of higher demand that offer high potential for advancement. For this reason, the average salaries for many apprenticeship-track occupations far outpace the national median of $38,640.89 Apprenticeships and other alternative training opportunities provide thousands of Americans with the skills they need to build a successful, long-term career. The Task Force believes it is vitally important to support these programs by removing barriers that prevent them from flourishing and increasing the number of participants.

Stakeholder(s):

Apprentices

2.2. Apprenticeships

Promote industry-recognized apprenticeships

Promoting Industry-Recognized Apprenticeships to Expand Employment Opportunities ~ In 1937, the Department of Labor established the Registered Apprenticeship Program. Today, the program provides participating apprenticeship programs with several benefits including technical assistance and support; a national, industry-recognized credential; access to federal resources; the ability to claim some expenses for training as a federal tax credit; and, in some states, access to state-based tax credits. In fiscal year 2018, almost 240,000 active apprentices participated in over 23,000 registered non-military apprenticeship programs across the nation. However, in order to register their program, entities are required to navigate a complicated application process and the accompanying federal bureaucracy. Recognizing the importance of apprenticeship programs, in 2017, the White House released President Trump's Presidential Executive Order Expanding Apprenticeships in America. The executive order directed the Secretary of Labor to identify policy options to promote apprenticeships, specifically through the establishment of a program that allows third parties to recognize high-quality programs. One year later, the resulting Task Force on Apprenticeship Expansion released a report with recommendations on how to structure such a program. Following those recommendations, President Trump's final rule would establish the Industry Recognized Apprenticeship Program (IRAP). This program would allow third-party certifiers to approve individual training providers such as industry groups, companies, non-profits, educational institutions, and unions. Certifiers would have to confirm to DOL that they have established standards and certifications and can evaluate and certify individual programs. The Task Force recommends codifying the proposed Industry Recognized Apprenticeship Program with several modifications to enhance its effectiveness. While the Industry Recognized Apprenticeship Program as proposed would substantially increase the availability of quality apprenticeship programs, the Task Force believes the program can still be improved. The Task Force recommends that the rule fully level the playing field between IRAPs and DOL registered apprenticeships. First, the rule prohibits construction industry and military apprenticeships from participating in IRAP. However, the Task Force recognizes construction industry workforce challenges. According to an August 2019 survey by Associated General Contractors, 80 percent of contractors experienced trouble filling craft worker positions even though many of these position require a limited amount of training or certificates. Moreover, 45 percent of these contractors rate the adequacy of the local pipeline for supplying well-trained or skilled craft personnel as poor. In an attempt to fill these jobs, 66 percent of contractors increased pay and 29 percent provided incentives or bonuses for employees, which provides an excellent earning opportunity for those who can gain the skills needed to qualify for these positions.96 By enabling the construction industry and the military to participate in IRAP, we can help ensure thousands of additional Americans get the training and certifications they need. Additionally, the Task Force recommends removing other restrictions on IRAPs under the rule. First, IRAPs should be equally eligible for the Eligible Training Provider List (ETPL) under the Workforce Innovation and Opportunity Act (WIOA). Equalizing eligibility would make it easier for training providers running apprenticeships to compete against registered apprenticeships for federal workforce resources. Second, IRAP participants should be considered apprentices under DavisBacon prevailing wage laws. This designation would allow employers to pay apprentices an appropriate percentage of a journeyman's wage. Otherwise, IRAPs would have to pay their apprentices the same amount they would pay a fully trained worker, which would limit the number of apprentices an IRAP could undertake. Last, IRAPs should not, as is the case under the President's rule, be ineligible for "other statutory benefits" which presumably includes access to resources targeted to registered programs under 29 C.F.R. 29. The Task Force reiterates its position that allowing new entities to compete for access to federal resources should be done simply to level the playing field and should not expand the overall amount of resources provided by the federal government.

Stakeholder(s):

Apprentices

2.3. Veterans

Provide meaningful careers for veterans

Providing Meaningful Careers for Veterans ~ In addition to expanding apprenticeship opportunities, the Task Force urges lawmakers to identify and break down other barriers that prevent Americans from accessing worthwhile training opportunities. For example, one barrier impeding access to quality training opportunities for those transitioning out of military service is the uncertainty surrounding certain federal labor and contracting laws. The Department of Defense's SkillBridge program provides soldiers with the opportunity to learn valuable technical skills that help lead to careers at the conclusion of their service. Through SkillBridge, soldiers are matched with civilian employment opportunities up to 180 days prior to the end of their service. Soldiers are then allowed to continue to receive military compensation and benefits while receiving valuable experience in a civilian workplace that could provide an employment opportunity after retirement from the military. An important component of any skilled training program is the ability to learn on-the-job and in a real-world environment. Unfortunately, many contractors were hesitant to bring these soldiers onto their jobsites out of fear of violating a confusing maze of labor and federal contracting laws. In November, the Department of Labor released a guidance document that clarified the application of many of these laws, which has allowed soldiers to come onto the jobsites without the participating construction companies having to fear a violation. The Task Force recommends codifying this guidance document so that our men and women in uniform have every opportunity possible to pursue meaningful careers at the conclusion of their service.

Stakeholder(s):
Veterans

2.4. Trucking

Increase access to the trucking industry

Increasing Access to the Trucking Industry ~ Another example of a regulation that is preventing Americans from accessing the workforce is found in the trucking industry. Currently, federal law prohibits individuals under the age of 21 from driving commercial motor vehicles (CMVs) for interstate commerce, even though these same individuals are allowed to drive CMVs in all 48 contiguous states. This prohibition is baffling when one compares the amount of driving a trucker is able to undertake in different states. While a driver in Texas is allowed to drive for hundreds of miles and several hours within the state, a driver in Delaware would only be allowed to drive 23 miles before reaching state lines and having to turn around. This prohibition puts increased stress on another industry that is struggling to fill jobs. In 2018, the trucking industry was short over 60,000 employees, with an expected shortage of over 160,000 drivers in 2028.98 As a result, some companies are offering their drivers bonuses of over $20,000. The Task Force supports increasing the opportunities for young American workers to access jobs, including in the trucking industry. Moreover, during emergencies such as the COVID-19 pandemic, restrictions such as this can unduly limit the transportation of critical and lifesaving goods to areas of need. The U.S. Department of Transportation (USDOT) is currently conducting a pilot program100 for individuals who received heavy-vehicle training while in the military in order to study the feasibility, benefits and safety impacts of allowing those who are between the ages 18-20 to drive CMVs for interstate commerce. A second pilot program, one that would allow non-military drivers to drive CMVs for interstate commerce, is currently going through the rule-making process.101 The Task Force supports codifying these pilot programs and also recommends that drivers between the ages of 18 – 20 be allowed to drive in interstate commerce following completion of an apprenticeship program. While these programs would increase training opportunities for skilled workers, additional steps should be taken to increase other employment opportunities for American workers.

Stakeholder(s):
Trucking Industry

2.5. Work Force Entry

Remove barriers to work force entry

Remove Barriers to Work Force Entry ~ Over the last 200 years, American innovation has transformed how Americans earn a living and support their families. In the 1800s, modern day franchising began, which gave Americans additional opportunities to own their own business. In the early 1900s, the invention of the assembly line transformed the automobile industry. In the 1990s, Craigslist began advertising job openings online, which began the evolution of the gig economy. Twenty-five years later, American ingenuity has created companies that have expanded options for ride-sharing, short-term rentals, and food deliveries and have once again transformed how some Americans work. Placing undue regulatory burdens on burgeoning enterprises jeopardizes job formation. While lawmakers should constantly evaluate appropriate ways of reducing these burdens, such efforts should be put into overdrive to ensure our economy emerges from the pandemic as quickly as possible for the benefit of all American workers. Franchising and independent contracting have empowered hundreds of thousands of Americans to own their own business and design careers that best suit their needs. However, in an effort to bolster unions and their efforts to organize, Democrats have proposed and passed through the House legislation that stifles American innovation and makes finding and keeping fulfilling work more challenging. These policies have targeted the most ambitious Americans by limiting franchising and independent contracting opportunities. Additionally, at the state level, other policies have also made it more difficult for Americans to enter hundreds of occupations through strict occupational licensing laws. The Task Force recognizes that through unleashing American innovation our country can reemerge from the present uncertainty stronger than ever. But in order to do so, we must break down the barriers in place that prevent

Americans from entering the workforce in a self-determined, meaningful way. For these reasons, the Task Force voices its support for President Trump's May 19, 2020 Executive Order that requires agencies to provide regulatory relief to support the recovery of the economy during and after the public health emergency. Importantly, Part 7 of the Executive Order directs the heads of agencies to review any regulation that they temporarily modified or suspended and consider making such modification or suspension permanent. The Task Force requests that the Trump administration review all regulations with the best interest of the American workforce in mind.

2.6. Non-Traditional Careers

Allow workers to design non-traditional careers that fit their needs

Allowing Workers to Design Non-Traditional Careers that Fit Their Needs ~ While there have always been some people that made their living as an independent contractor, free from the constraints of a single employer, the smartphone has dramatically expanded this opportunity. Smartphones have allowed innovative companies to provide a platform—often app-based—to immediately connect a customer directly with a worker, giving way to what is known as the gig economy. While Democrats bristled at the disruption the gig economy created in the labor market and have attempted to exert burdensome regulatory control, conservatives have welcomed the innovation that has enabled more people to design careers that align with their individual needs. According to a recent survey, independent contractors value the flexibility, choice, independence, and personalization that independent contracting offers them. Additionally, for many individuals that have found themselves unable to work at their normal jobs during the pandemic, earnings from gig economy jobs have provided an important lifeline. As traditional businesses have been unable to operate normally, the services provided by the gig economy have taken on added importance. Nonetheless, even gig economy workers have suffered from the effects of the pandemic, experiencing risk of exposure and unreliable demand for many of their services. Unfortunately, in their long-time attempts to regulate these innovative business models, Democrats have sought to limit workers who qualify for the independent contractor status and impose the more onerous employee designation. Some gig economy companies, including Uber and Lyft, want to be able to provide portable benefits to their drivers as part of their compensation. However, the uncertainty in current law makes it unclear whether or not doing so would classify these independent contractors as employees. To address these concerns, the New GIG Act, introduced by Rep. Tom Rice (R-SC), would ensure that a worker is classified as an independent contractor for income and employment tax purposes so long as they meet three objective tests: (1) the worker is treated as an independent contractor and not an employee; (2) the customer is not treated as the employer; and, (3) if a third party facilitates payments and transactions, the third party is not treated as the employer. This would allow companies to provide their independent contractors with benefits like deals on insurance, matching IRA contributions, and assistance with setting up HSAs without the workers being classified as employees. The Task Force recommends implementing the New GIG Act to protect independent contractors and safeguard their ability to work independently. While conservatives welcome innovations, such as the rise of the gig economy, that enable people to design careers that align with their individual needs and dreams, Democrats have sought only to extend old regulations to new industries. Democrats bristle at the gig economy's positive influence and have attempted to limit the choices of workers by imposing the onerous regulatory designation of employee and limiting independent contracting. The Task Force opposes any attempt to extend employee status to those that prefer their current independent contractor classification. Unfortunately, many states have adopted what's known as the "ABC test," which makes it very difficult for a worker to qualify as, or remain, an independent contractor. Democrats, through the PRO Act, attempted to impose the ABC test as a national standard. A recent report found that implementing the ABC test nationwide, reclassifying 15 to 50 percent of independent contractors as employees, could increase business costs by $3.6 billion to $12.1 billion. The California standard, known as AB5, could negatively impact as many as 1.9 million workers. Enforcement of the California AB5 standard would force Uber and Lyft to cease operations as they currently exist, effectively "fire" all gig workers using their ridesharing platform, rehire a drastically smaller number as employees, create rigid driving schedules, and raise prices for riders. California Governor Gavin Newsom recently signed into law a modification (AB2257) to AB5 which implements the same stringent test as AB5 but exempts additional categories of freelancers, including recording artists, home inspectors, and competition judges. AB2257 brings the total exemptions to AB5 to over 100, largely for white-collar professionals. Another report estimated the potential economic disruption from the implementation of a national ABC test to be up to 8.5 percent of gross domestic product, or $1.6 trillion.113 If enacted, the costs and restrictions of freedom of the ABC test would ripple through the economy. Moreover, as with any increase in the regulatory state, imposing this standard would increase costs for consumers, diminish the income of workers, and jeopardize the innovation that is key to growth. As such, The Task Force opposes any increase in regulation that would disempower and restrict the freedom of workers across America.

Stakeholder(s):

Workers

2.7. Household Workers

Extend contractor status to household workers

Extending Contractor Status to Household Workers ~ With many schools, child care centers, and other public places closed or limited because of the pandemic, people are in greater need of hiring workers to complete tasks in their home. Workers are also increasingly seeking flexible arrangements. Currently, workers providing home services, including nannies, cleaners, yard workers, gardeners, health aides, and nurses, are considered "household employees." Tax withholding requirements apply if the individual makes more than $2,200 from a household in a tax year, and the employee is required to report income from each household for which they work. The household employee designation triggers burdensome tax filing requirements for both the worker and the homeowner, lowering wages, discouraging accurate filing, and limiting opportunities for such workers. The Task Force recommends allowing workers who fall into the "household employee" category to instead be treated as independent contractors, if the worker so chooses. This designation simplifies the income reporting requirements for these workers and expands opportunities to work for more homes and receive higher pay. Other workers who do work primarily in the home, like plumbers and carpenters, already enjoy independent contractor status.

Stakeholder(s):

Household Workers

2.8. Occupational Licensing

Address onerous occupational licensing requirements

Addressing Onerous Occupational Licensing Requirements ~ Every day across the country, thousands of people are prevented from entering industries due to onerous occupational licensing laws. As millions of Americans look to return to the workforce in the coming months, these legal restraints serve as another unnecessary barrier to their individual prosperity. Occupational licensing was originally established in an effort to protect public health and safety. While some occupational licensing laws have a justifiable nexus to do so, others have requirements that verge on irrational. For instance, 66 occupations have stricter licensing requirements nationwide than emergency medical technicians (EMT), including interior designers, and manicurists. While on average a cosmetologist must spend 372 days in training, the average EMT only needs 33 days of training. Almost thirty percent of jobs now face government-imposed licensing requirements, up five percent from the 1950s. Unfortunately, occupational licensing has been turned into a tool to prevent outsiders from entering certain professions. Requiring licenses for occupations that do not justifiably impact public health or safety limits the amount of people that are able to enter these professions, thus limiting the amount of competition for those currently in the industry. Furthermore, the members of the regulatory boards that establish the standards for the licenses are often members of the regulated profession. As a result, they have an incentive to make the standards as restrictive as possible, and to protect those who are already licensed, instead of the general public. Unjustifiable barriers to entry, such as these, must be eliminated as part of a nationwide strategy to get people back to work. The Task Force is especially concerned that strict occupational licensing laws are regressive, affecting individuals at the low end of the income scale the most. According to Shoshana Weissmann and C. Jarrett Dieterle of the R Street Institute, occupational licensing has made it especially difficult for "the most economically disadvantaged among us to acquire a license due to the time, fees, and education necessary to acquire one. The result is that millions of would-be workers are locked out of the workforce because they lack the means to obtain a license." Unfortunately, it is low-wage individuals that have taken the brunt of job losses during the pandemic. Those who move over state lines face even more challenges. In many cases, a person wishing to continue their occupation in a new state must relicense, meeting any additional qualifications the new state may impose, and paying hefty licensing fees. While Arizona and Pennsylvania have implemented legislation to make it easier for those who are licensed in another state to move into their state, the vast majority of states do not have similar reciprocity laws in place. Licenses that are not portable are especially burdensome to families of military servicemen and women, who are 10 times more likely to move between states. According to a survey conducted in 2017, about 34 percent of military spouses are employed in occupations that require licensure. Nearly 75 percent of these spouses have to be relicensed every time they move, which can be time consuming and costly. To ensure our military families are not unduly burdened every time they have to move, the Task Force recommends implementing the Portable Certification for Spouses (PCS) Act, introduced by Rep. Jim Banks (IN-03). This proposal would allow the Department of Defense to use defense dollars to help states come up with universal licensing standards. While onerous occupational licensing laws are initiated at the state level, lawmakers should examine other ways in which the federal government could respect the notion of federalism and still facilitate the state-level adoption of policies that use less restrictive alternatives to occupational licensing. Pre-pandemic, strict occupational licensing laws reduced the number of available jobs by 2.85 million, and have cost consumers $203 billion annually. However, additional information is needed on how many states require licenses for which occupations and what the requirements are for those licenses. Many of the metrics that currently exist only include a sample of licensed occupations or include inaccurate or incomplete data. As a result, the Task Force recommends implementing a reporting requirement for states that wish to receive funding through the Workforce Innovation and Opportunity Act (WIOA). Through WIOA, the federal government provides funds to states to help Americans, including those with barriers to employment, into high-quality jobs, and to help employers hire and retain workers. Because some occupational licensing requirements pose undue employment barriers to particular industries and restrict employment freedom for job-seekers, which contradicts the goals of WIOA, states should be required to report which occupations require licenses, as well as the requirements for obtaining those licenses. While having accurate information on state occupational licenses is important, the Task Force also questions why we continue to provide federal funding to states with laws that are in direct contradiction with the very purpose for which we provide WIOA funds. To ensure that taxpayer dollars are dedicated to states that further the purpose of WIOA, rather than hinder it, onerous state occupational licensing laws should be taken into account when disbursing WIOA funding. Currently, under WIOA, states are awarded grants for adult and youth employment and training activities pursuant to a formula incorporating the following factors: 1. The state's relative share of total unemployment in areas of substantial unemployment. 2. The state's relative share of excess unemployment. 3. The state's relative share of economically disadvantaged adults. The Task Force recommends adding a fourth factor that would take into account the severity of each state's occupational laws and other regulations that serve as barriers to employment. The Institute for Justice has developed a metric for comparing the burdens imposed by occupational licensing laws on blue collar professions in all fifty states that could provide lawmakers with a starting point for developing their own comparative standard. This standard would use data collected with the recommended reporting requirement. Another barrier to employment that could be incorporated is a state's right-to-work laws. The Cato Institute has also developed metrics designed to measure relative labor-market freedom and occupational freedom among the states. The Task Force also supports the Restoring Board Immunity Act, introduced by Senators Lee, Cruz, Sasse, as well as former Rep. Darrell Issa, as a means of reining in occupational licensing boards that impose monopolistic barriers to employment. In 2015, the United States Supreme Court ruled in North Carolina Board of Dental Examiners v. Federal Trade Commission that antitrust immunity may apply to licensing boards where a majority of the members are involved in the industry in question, but only if the board is "actively supervised" by the states, which is often not the case. While this case theoretically opened the door to greater federal oversight of anti-competitive occupational licensing laws, it runs the risk of boards circumventing such oversight by having states rubberstamp their decisions. As a means of addressing this concern while also respecting state-level authority to determine the general welfare of their citizens, the Task Force supports enactment of the Restoring Board Immunity Act. This bill would grant anti-trust immunity to actions by these boards only if they adopt one of two reforms designed to prevent runaway occupational licensing restrictions. Under the first option, a state would have to establish day-to-day supervision of licensing authorities through a new occupational-licensing oversight board that would review occupational regulations on a regular basis. Under the second option, a state would have to create a legal cause of action to challenge occupational-licensing laws under an enhanced review standard of intermediate scrutiny. Implementation of this legislation would ensure that federal regulation of these boards is done in a constitutionally sensitive way that promotes conservative free market principles and respects local authority. This bill would help to roll back some of the most onerous occupational licensing laws, and the systems that create them.

2.9. Construction Industry

Increase employment opportunities in the construction industry

Increasing Employment Opportunities in the Construction Industry ~ The Davis-Bacon Act requires DOL to determine a local prevailing wage that applies to all federally funded or assisted contracts over $2,000 for the construction, alteration, or repair of public buildings or public works. In order to determine the local prevailing wage, DOL either takes the average or majority wage rates of the largest city in affected counties, the county average, or the existing wage rate, and then applies it to the project payments. However, this method of calculating wages has resulted in wages that on are average over 20 percent higher than market wages. Artificially higher wages favor unions and unionized workers and decrease job opportunities for workers. As a result of increased wages, Davis-Bacon increases the cost of construction projects to the government by almost 10 percent. To provide more opportunities for American workers, the Task Force recommends a full repeal of Davis-Bacon. Repealing Davis-Bacon would remove the current market distortion caused by the prevailing wage calculation and instead allow market forces to determine the proper wages for construction workers on federal projects. As a result, removing this job-killing requirement would reduce the bias towards unionized workers in federal construction and allow employers overseeing such construction projects to hire more workers at fair wages. Additionally, the repeal of Davis-Bacon would save taxpayers billions of dollars, according to the Congressional Budget Office as a direct result of decreased construction costs. These savings could be used to create an additional 155,000 new jobs.

Stakeholder(s):

Construction Industry

2.10. Franchising

Safe-guard access to franchising opportunities

Safe-Guarding Access to Franchising Opportunities ~ In 2015, the Obama-era National Labor Relations Board's (NLRB) upset decades of precedent in the Browning-Ferris Industries (BFI) decision by changing the definition of a joint-employer from one that has immediate and direct control, to one that has indirect, or reserved, control. As a result, franchisors could be held liable for labor violations committed by franchisees, despite the fact that a franchisor has no control over employment decisions made by the franchisee. In fact, franchisees saw a 93 percent increase in lawsuits resulting from the implementation of the BFI joint-employer standard. Moreover, many franchisees saw dramatic changes to the franchisor-franchisee relationship. Desperately looking to avoid the joint-employer designation, 92 percent of franchise owners reported receiving less services from franchisors after the BFI standard was implemented. As a result, the BFI decision, while in effect, increased costs for franchisees and limited the amount of jobs they were able to create. According to a recent study, the BFI joint-employer standard cost franchises up to $33.3 billion annually and reduced employment by 376,000 jobs. This is especially concerning when coupled with the fact that between 2012 and 2017, franchises were responsible for creating 10.9 percent of all private sector jobs. In December 2017, the NLRB, under President Trump, issued a decision overturning the BFI joint-employer ruling. Although this decision was eventually vacated in February 2018, the NLRB posted a Notice of Proposed Rule-making in September 2018 re-asserting the traditional standard that required an employer to actually directly employ someone to be considered a joint-employer. In February 2020, the final rule was issued by the Department of Labor (DOL). The Task Force fully supports DOL's new rule but recognizes that Democrats will continue to push to return to the BFI joint-employer standard through legislation, like the PRO Act, or future administrative rules. If the BFI joint-employer standard was ever codified or if a future NLRB reversed the new rule, it would have significant negative effects on the franchise business model, would eliminate opportunities for thousands of Americans to own their own business and endanger the jobs of even more workers. Such an outcome would be untenable as our nation seeks to emerge from the economic ramifications of the pandemic. Attempts to revert to the BFI joint employer standard are further examples of Democrats putting union priorities over the needs of everyday Americans. Unions, in particular, are strong supporters of the BFI joint-employer standard because it made it easier to unionize thousands of employees at one time. Under the traditional joint-employer standard, a union must unionize each and every individual franchise. However, under the BFI joint-employer standard, a union only needed to unionize the franchisor to capture thousands of employees at once. This wholesale unionization totally disregards the varying employer-employee relationships and varying economic conditions that exist within every individual franchisee's location. In order to provide certainty to current and future franchise owners, the Task Force recommends codifying the traditional joint-employer standard, which will allow franchise owners to continue to flourish and provide opportunities for thousands of American workers.

Stakeholder(s):

Franchises

2.11. Child Care

Support child care options and affordability for working parents

Supporting Child Care Options and Affordability for Working Parents ~ Families, supported by working parents, are the foundation of American society. It is imperative that working parents have options for safe, affordable care for their children that are not limited by unnecessary regulation. The need for flexible and affordable child care options has become even more important during the pandemic as millions of families find themselves grappling with its interruptions to work, school, and society at large. Unfortunately, top-down policies that dictate acceptable forms of child care often have the opposite effect, restricting child care options and increasing the cost of care. Every family is unique and has unique child care needs. State and local policies are often particularly burdensome on home-based and informal care arrangements, unfairly biasing the market towards center-based care options through regulations and funding. While some families may prefer center-based care, home-based care can provide safe, flexible, and local care for many families. Additionally, home-based care is typically more affordable than center-based care: a 2019 report from Child Care Aware of America found that the average annual cost of center-based care is $10,336, compared to an average of $7,998 for home-based care. Proposals from the Left often involve massive subsidies and increased regulations, which further exacerbate the cost of child care and continue to push home-based, church-based, and other unique child care arrangements out of the market. In contrast, the Task Force voices its supports for more options in child care and reducing regulations and barriers to entry that increase child care costs. Further, it believes that state and local governments should monitor child care safety, while trusting parents to assess the quality of care and determine the best environment for their children.

Stakeholder(s):

Working Parents

2.12. Child Care Development Fund

Reform the Child Care Development Fund to encourage affordability and choice

Reforming the Child Care Development Fund to Encourage Affordability and Choice ~ Currently, states receive funding from the Child Care Development Fund to provide child care assistance to low-income families. States have the option of using funds to provide vouchers to families, enter into contracts with facilities for slots, or provide grants to qualifying facilities. Contracts and grants allow states to use the funds to increase the supply of policymakers' preferred child care options, while vouchers emphasize the choice of the families. The Task Force recommends removing the "contracts and grants" option so that families, not politicians and bureaucrats, are driving the child care market. Additionally, states are able to set reimbursement rates for child care providers based on perceived quality of the provider. This provision allows states to choose winners and losers in the child care market and may deter families from homebased or otherwise affordable care options that they might prefer. The Task Force maintains that states should be able to vary reimbursement rates by geographic area, for family-care options, and for enhanced services for children with disabilities, but should not otherwise be able to differ reimbursement rates among legally operating child care providers.

2.13. Regulation

Report on the effects of regulations on child care costs

Report on the Effects of Regulations on Child Care Costs ~ Workers rely on safe, affordable child care to help balance their family responsibilities with their work schedule. While states are correct to ensure basic safety measures for child care providers, state regulations for licensing have become increasingly arbitrary and numerous. Oklahoma dictates specific kinds of toys in a specified number per child, including directives on the numbers of puppets that must be available. Washington D.C. implemented a regulation in 2017 requiring all child care providers to obtain college degrees by December of 2020. These and other bureaucratic attempts to micromanage child care practices have left many parents without affordable child care options. Over-regulation pushes otherwise qualified child care providers, especially home-based providers, out of the market, restricting supply and raising costs for families. A study from the Mercatus Center at George Mason University showed that quality regulations (as opposed to safety regulations) often increase the cost of care without necessarily improving the quality. A 2007 study also found that stringent regulations can actually reduce the wages of child care workers, again without improving quality. State regulations that increase the cost of child care also undermine federal efforts to help workers access child care, including through the Child Care and Development Block Grant and the child and dependent care tax credit. Utilizing vouchers to allow parents to determine the quality of providers should encourage states to reduce unnecessary regulations and let the free market improve the affordability and quality of care. The American Worker Task Force recommends that lawmakers require a report from the Office of the Administration of Children and Families in the Department of Health and Human Services examining the extent to which overregulation negatively impacts the cost and supply of child care services. The report should consider the number of regulations in each state and the effect of each regulation on: (1) child safety, (2) cost of child care, and (3) supply of child care. Enhancing Incentives, Flexibility, and Personal Growth While many Americans are seeking new job opportunities at this time, others are looking for a more rewarding path within their current line of work. This may mean the opportunity to earn more pay, the ability earn more time off, or the opportunity to train for a better position. Unfortunately, Congress has implemented policies that inhibit a worker's ability to reach their full potential. In order to maximize our nation's return to prosperity, we need to ensure the federal government is not advancing policies that make it more difficult for Americans to reach success. We must enable them to reach their individual goals.

2.14. Upskilling

Increase upskilling

Supporting the Advancement of the American Worker by Increasing Upskilling Opportunities

Stakeholder(s):

American Workers :
American workers can greatly benefit from employers who seek to improve their efficiency by upskilling their employees. These employees benefit from additional skills, and often an accompanying pay bump.

Employers :
However, current law disincentivizes employers from upskilling their employees by limiting the deductibility of education or training expenses to those that apply to an employee's current job. Unfairly, education and training are not a qualifying business expense for deductibility purposes for the employer if the training or education qualifies the worker for a new trade or business. This can pose a significant barrier to future success of American workers. It also impedes employers from investing in human capital in the same way that they are allowed to invest in physical capital like equipment.

Bakery Owners :
While a bakery owner can expense a new oven, the owner would not be able to expense the cost of cake decorating class for a hardworking cashier the owner wishes to promote. The tax code should be updated to correct for this inequity.

2.14.1. Training & Education

Make employee training and education expenses that are not related to an employee's current job deductible as a business expense

Accordingly, the Task Force recommends that employee training and education expenses that are not related to an employee's current job should also be deductible as a business expense.

2.14.2. Partnerships

Allow employers to expense the costs of partnerships they form with non-profits or educational institutions for purposes of upskilling their employees

Stakeholder(s):

Employers :
Moreover, the Task Force's approach, would allow employers to expense the costs of partnerships they form with non-profits or educational institutions for purposes of upskilling their employees.

Non-Profits

Educational Institutions

Companies :
Deducting these costs would allow companies to work with these organizations not only to promote the well-being of their labor force, but also to build networks that can counsel employees into developing skills needed across the economy.

2.15. Remote Workers

Insulate remote work from undue tax burdens during the pandemic

Insulating Remote Work from Undue Tax Burdens During the Pandemic

Stakeholder(s):

Governments :
During the pandemic, as governments closed businesses and implemented stay-at-home orders, many Americans have been forced to telework outside of the state in which they normally work or chose to move for reasons of health and safety.

States :
In many states, working for even one day in the state can trigger tax obligations for the employer and the employee.

Remote Workers :
During the pandemic, many people worked outside of the city or state in which their workplace is located, potentially exposing the employee and employer to additional tax and compliance burdens. Overlapping state laws can result in an employee's salary being double-taxed. Hundreds of thousands of Americans could be facing unexpected tax obligations as a result of teleworking.

New York Times :
For example, according to the New York Times, about 420,000 people left New York City during the pandemic, amounting to roughly 5 percent of the city's population.

New York City

New York State :
Data shows that many left New York State entirely for surrounding areas in Pennsylvania, New Jersey, and Connecticut, as well as further locations like southern Florida.

Pennsylvania

New Jersey

Connecticut

Florida

Commuters :
Across the country, hundreds of thousands of people who commute across state lines would be penalized even though they had no choice but to work from their homes.

Teleworkers :
Given the unforeseen and unprecedented circumstances that workers and businesses have found themselves in, it is only fair to maintain the tax status quo, as if the employee had not been teleworking. Workers who were forced to telework to protect public health should not be penalized with an increased tax burden.

2.15.1. Income Taxation

Treat employee income as earned at the employee's primary work location

Stakeholder(s):

Employers :
The Task Force recommends that Congress act to maintain the status quo for taxation of employers and employees during the public health emergency.

Employees :
Specifically, employee income should be considered to be earned at the employee's primary work location.

Businesses :
Businesses would also have certainty that allowing workers to telework would not create a business tax nexus in other states nor impact payroll factors for purposes of tax apportionment.

2.16. Pay & Productivity

Boost employee pay and encourage increased productivity

Boosting Employee Pay and Encouraging Increased Productivity

Stakeholder(s):

Employees

2.16.1. Overtime Compensation

Prevent employers from having to recalculate an employee's regular rate of pay for the purposes of overtime compensation each pay period in which an employee receives a bonus

In order to ease the burden on more organizations, and allow more American workers to receive bonuses, the Task Force recommends that Congress implement the Employee Bonus Protection Act. This bill would prevent employers from having to recalculate an employee's regular rate of pay for the purposes of overtime compensation each pay period in which an employee receives a bonus, increasing the number of American workers that receive bonuses.

Stakeholder(s):

Congress :
Congress should also ease administrative burdens that make it less likely that an employee will receive a bonus as a reward for their hard work. Such a bonus could serve as a lifeline for many American families impacted financially by the pandemic.

Employers :
Under current law, employers must recalculate an employee's regular rate of pay each pay period, taking into account any bonuses the employee has received. This serves as an enormous administrative burden for employers who would be required to recalculate the regular rate of pay for any employee receiving a bonus every single pay period, and a major disincentive to employers to offer frequent bonuses. An employer could opt to offer annual bonuses, since the regular rate of pay would only have to be recalculated once a year, but having to recalculate salaries multiple times a year would require most employers to hire an accountant to take on the administrative burden. This is an expense that small businesses often cannot afford, and the effects are felt by their employees. While most employers give annual bonuses (55 percent), far fewer tackle the difficulties and costs associated with providing quarterly bonuses (17 percent) even though, according to a recent study, annual bonuses are not as effective in increasing productivity as quarterly bonuses.

Small Businesses :
Furthermore, small businesses are almost ten percent less likely to offer individual retention bonuses to employees than mid or large-sized organizations.

2.17. Overtime

Provide additional options for employees that work overtime

Providing Additional Options for Employees that Work Overtime

Stakeholder(s):

Employees :
While many employees value high compensation more than any other offering in their current positions, a growing number of American workers seek more time off to spend with family. According to a recent study, 30 percent of employees hope to see additional vacation days in their current positions.

Federal Government :
While the federal government has the flexibility to provide additional time off to employees in lieu of overtime compensation, private-sector employees do not have that option.

Private Employers :
Under current law, private employers are required to pay employees overtime at 1.5 the employee's regular rate of pay, and do not have the opportunity to instead offer comp time.

Workers :
As the COVID-19 public health emergency continues to disrupt everyday life, many workers are especially interested in opportunities to earn more comp time and adjust their work schedules.

2.17.1. Compensatory Time

Give employers more flexibility to provide compensatory time off

Stakeholder(s):

Sen. Mike Lee :
To provide employees with more options, the Task Force recommends implementing the Working Families Flexibility Act, introduced by Sen. Mike Lee (R-UT), to give employers more flexibility to provide compensatory time off. Under the bill, employers would have the option of offering comp time or overtime pay.

Employers

Employees :
Employees would voluntarily elect to receive comp time in lieu of overtime pay, which would empower employees to select the option best fits their needs. Employees would be able to cash out their accrued comp time at any time, and the proposal would require employers to pay employees the traditional overtime rate of any unused comp time at the end of the year.

Families :
This proposal would give American workers the ability to make decisions that best fit their needs and the needs of their families.

2.18. Income & Retirement Accounts

Restore workers' freedom over their income and expand access to retirement accounts

Restoring Workers' Freedom Over Their Income and Expanding Access to Retirement Accounts

Stakeholder(s):

Workers

Retirees

2.18.1. Savings & Investments

Allow individuals to save or invest a certain amount each year in tax-free accounts without restrictions on how these funds can be used

One important way to encourage work and independence is to allow people to keep more of their own money in a way in which they can use it to invest in their future. Universal tax-free savings accounts would allow individuals to save or invest a certain amount each year in tax-free accounts without restrictions on how these funds can be used and with simple requirements on how long savings must be maintained. While there are already a number of tax advantaged savings accounts, they are limited for specific government-favored purposes and have restrictive and complex rules and regulations. The inflexibility of these accounts diminishes the value of the hard-earned income of all Americans. Universal accounts would allow families the flexibility to build up their nest eggs and save for a large purchase, such as a home, education, medical procedure, or even a "rainy day" emergency fund. Moreover, these accounts would restore full freedom and flexibility to American workers over their earned dollars.

2.19. Investment Options

Expand investment options for 401(k) and IRA holders

Support Trump Administration Guidance to Expand Investment Options for 401(k) and IRA Holders

Stakeholder(s):

401(k) Holders

IRA Holders

Workers :
Tax-advantaged retirement accounts empower workers to save for retirement and prepare for a secure financial future.

Department of Labor :
On May 19, 2020, the Department of Labor issued guidance that gave individuals with defined contribution retirement savings plans the option of investing in funds that included private equity investments.

Pension Plans :
While defined benefit plans (pension plans) have been able to invest in private equity, previous policy barred 401(k)-style plans from doing the same.

American Investment Council :
A study from the American Investment Council showed a 15% average rate of return on private equity investments.

2.19.1. Defined Contribution Plans

Expand investment options for Americans in defined contribution plans

The Task Force applauds the Trump administration's action and recommends that this investment option be codified into law.

Stakeholder(s):

Trump Administration :
The Trump administration's guidance expands investment options for Americans in defined contribution plans.

Defined Contribution Plans :
Defined contribution plans offer workers security and ownership of their retirement funds.

Workers :
Workers should be trusted to make investment decisions over the retirement account funds that they earned, which includes choosing to invest in private equity product.

2.20. Workplaces

Empower american workers to control their workplace futures

Empower American Workers to Control Their Workplace Futures ~ The tendency of Democrats to support union-giveaway policies is perhaps best demonstrated by the passage of the PRO Act in the House of Representatives in the 116th Congress. This bill, which received 219 Democratic votes, seeks to eliminate Right-To-Work protections, force workers to pay dues to unions they may not wish to be a part of, require employers to provide employee contact information to unions without their permission, and codify the 2015 Browning-Ferris Industries (BFI) joint-employer decision and the California “ABC” independent contractor test nationwide in an attempt to make it easier to unionize large swaths of American workers. The Task Force rejects this outdated way of thinking about labor policy and seeks to empower Americans to decide for themselves how they wish to be represented.

Stakeholder(s):

Democrats :
For decades Democrats have been beholden to the influence of powerful unions. Democrats argue that their pro-union policies are pro-worker, but the Task Force rejects this assertion.

Unions :
While the Task Force understands that many unions have played an important role in the lives of American workers, it also recognizes that unions do not always prioritize the well-being of all employees over the prosperity of the union. This is particularly egregious as many workers across the nation face uncertainty as to their employment.

American Workers :
While the Task Force supports the right of every worker to join a union, this decision should be made by a worker that knowingly, willingly and freely chooses to do so. Democrats, on the other hand, support policies that coerce union membership. For these reasons, the Task Force supports reforms that refocus labor policy on workers, instead of on the union.

2.21. High-Performing Employees

Enable high-performing employees to be rewarded

Enabling High-Performing Employees to Be Rewarded ~ Under current law, union contacts set both a wage floor and a wage ceiling. As a result, individual workers cannot be given raises, including performance-based raises, by their employer. Typically, unions resist raises given to individual employees, and instead demand that employees be compensated based on the amount of time they’ve worked for the employer. This mechanism serves as a disincentive to the employee to become more productive to benefit one’s self and family, since an employee is paid the same no matter how productive he or she is. The Task Force recommends allowing employers operating under a union contract to award bonuses and pay raises to employees without having to get permission from union bosses. The pandemic highlights the need for more pay flexibility for unionized workers. Many unionized workers, including nurses, grocery store workers, and transportation workers, provided essential services during early stay-at-home orders and responded with courage to the new demands of their jobs. Without these workers, the country would not have been able to effectively respond to the virus. Employers must be allowed to reward these workers who have, and continue to, serve in essential roles during the pandemic. Additionally, as more businesses open, some employees will be willing to take on more risk than others during the return to work. If the country is to successfully reopen, businesses must be allowed to compensate workers who are willing to go above-and-beyond the job description during these challenging times.

Stakeholder(s):

High-Performing Employees

2.21.1. Pay

Allow employers to pay individual workers more than is specified in the union contact

Stakeholder(s):

Rep. Dusty Johnson :
The Rewarding Achievement and Incentivizing Successful Employees Act (RAISE Act), introduced by Rep. Dusty Johnson (SD-AL) would allow employers to pay individual workers more than is specified in the union contact.

Unions :
Under the proposal, union contacts are still allowed to set minimum wage rates, which enables unions to continue to protect workers from being paid too little.

2.21.2. Discrimination

Prohibit discriminating against an employee based on union membership

The bill also upholds the prohibition against discriminating against an employee based on union membership, which would prevent employers from selectively give raises to employees that are not union members in an effort to undermine the union.

2.22. Right to Work

Protect the right to work

Protecting the Right to Work

Stakeholder(s):

Unions :
All people have a right to work and enjoy the fruits of their labor. Unfortunately, unions all around the country have been granted monopolistic powers by the federal government, allowing them to restrict who is allowed to work in certain jobs and what businesses can enter a market. They have become the guilds of the modern era, working to stifle innovation when it threatens the power of their leadership.

Public Sector Employees :
While Janus v. American Federation of State, County and Municipal Employees provided all public sector employees with the right to work, many private sector employees are forced into unionism as a prerequisite to employment.

Democrats :
Recently Democrats, through their support of the PRO Act, reinforced their opposition to private sector right-to-work laws.

Workers :
The Task Force strongly opposes such efforts to force workers to pay dues to unions of which they may not wish to be a part.

Employees :
Democrats argue that right-to-work laws allow employees to benefit from union representation without paying union dues. But they fail to recognize that it is the unions themselves who fought for exclusive representation, or the right to represent all employees, which prohibits employees from representing themselves.

Glenn Taubman :
According to Glenn Taubman of the National Right-to-Work Legal Defense Foundation, "this is like being kidnapped by a cab driver, driven all over town against your will, and then being forced to pay the driver an exorbitant fare for the 'services' he allegedly rendered."

States :
The Task Force is also concerned that prohibiting state-level right-to-work laws requires an employee to pay dues to a union that may be funding political or advocacy campaigns with which the employee disagrees, or even to fund union corruption.

Liberal Advocacy Groups :
A recent report found that unions sent over $1.3 billion to liberal advocacy groups between 2010 and 2017, without employee permission.

2.22.1. Representation

Empower every American worker to determine how they wish to be represented

Stakeholder(s):

States :
While twenty-seven states have enacted right-to-work laws within their jurisdiction, millions of Americans remain under an unjust system.

Rep. Joe Wilson :
To correct this problem, the Task Force recommends enacting the National Right-to-Work Act, introduced by Rep. Joe Wilson (SC-02), which would empower every American worker to determine how they wish to be represented.

American Workers

2.23. Employee Rights

Restore employee rights

Restoring Employee Rights

Stakeholder(s):

Employees

Democrats :
While Democrats seek to marginalize an employee's right to choose how they are represented in contract negotiations, the Task Force seeks to protect that right.

Rep. Phil Roe :
As a result, the Task Force strongly recommends the implementation of the Employee Rights Act, introduced by Rep. Phil Roe (TN-01). The bill would enact a number of important reforms that seek to protect workers in their right to select, or abstain from selecting, union representation.

2.23.1. Elections

Require every union win a majority of votes cast in a secret ballot election

First, the bill would require every union win a majority of votes cast in a secret ballot election. Under current law, a union can be certified though either a secret ballot election or what's known as card check. In order to request a secret ballot election, a union must turn in authorization cards signed by at least 30 percent of employees. If a union is able to get cards from over 50 percent of employees, the union can then ask the NLRB and the employer to voluntarily recognize the union without holding a secret ballot election. While the employer may choose to respect the employee's right to a secret ballot election, the employer may also recognize the union without holding an election. Though the Task Force seeks to empower employees to independently decide how they wish to be represented, Democrats, through the PRO Act, sought to allow unions that failed to win a secret ballot election to still gain certification using card check. With card check, a union could allege that an employer wrongfully interfered in the election, and, unless the employer can prove otherwise, the union gains certification so long as they provide cards signed by at least half of employees. The Task Force understands that card check of any kind undermines the secret ballot election and the employee's right to vote for union representation in privacy. Thus, the Task Force recommends requiring unions to win a secret ballot election before being certified.

2.23.2. Recertification

Require all unions to hold a recertification election if over 50 percent of the bargaining unit has turned over

The Employee Rights Act would also require all unions to hold a recertification election if over 50 percent of the bargaining unit has turned over. In 2016, 94 percent of union members never voted to be represented by their union. The Employee Rights Act would also require unions to receive permission from members to use union dues for purposes beyond collective bargaining, such as towards supporting political candidates or advocacy campaigns.

2.23.3. Coercion

Make it illegal for a union to use intimidation, violence, or threats in an effort to coerce employees into union membership

Finally, the Employee Rights Act would make it illegal for a union to use intimidation, violence, or threats in an effort to coerce employees into union membership.

2.23.4. Federal Employees

Extend these protections to federal employees

Stakeholder(s):

Rep. Tom Price :
The Task Force also recommends extending many of these protections to federal employees through the Federal Employee Rights Act, originally introduced by former RSC Chairman Tom Price.

Unions :
Like the Employee Rights Act, the Federal Employee Rights Act legislation would require unions representing federal employees to win a secret ballot election.

Employers :
The bill would allow an employer to withhold personal information from a union and would require a union to receive authorization from an employee before using union dues for purposes beyond collective bargaining.

Federal Employees :
The Federal Employee Rights Act would also prohibit unions from deducting union dues directly from employee pay.

2.24. Ambush Elections

Prevent ambush elections

Preventing Ambush Elections ~ The Task Force rejects any attempt by unions and Democrats to shut down debate and limit the amount of information provided to employees and supports proposals to ensure that union elections cannot be held in less than 35 days. Accordingly, the Task Force recommends codifying NLRB's 2020 rule.

Stakeholder(s):

NLRB :
In 2014, the Obama-era NLRB established the Ambush Elections rule, under which union representation elections can take place in as few as 11 days. Prior to the Ambush Elections rule going into effect, the median time before an election was 38 days.

Employees :
Ambush elections generally provide employees with very little time to become adequately informed about the benefits and drawbacks of union membership, and the union upon which they are voting.

Employers :
Furthermore, while the union has months to present their message to employees, employers often have only a few days to provide information to employees.

Unions :
Shortened election time frames greatly increase the likelihood a union will win a representation election. Prior to the Ambush Elections rule going into effect, unions won only 60 percent of elections held between 36 and 42 days, but won over 86 percent of elections held in less than 21 days. In the first half of 2019, four years after the rule went into effect, unions recorded a 77 percent win rate, despite never recording a 70 percent win rate in any previous decade.

President Trump :
The NLRB, under President Trump, recently finalized a rule rolling back the 2014 Ambush Elections decision. While portions of the rule have been blocked from implementation by a federal judge, the remainder of it went into effect on June 1, 2020.

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Stakeholders (continued)

Democrats :
Notably, Democrats have attempted to codify the flawed 2014 Ambush Elections rule through legislation, specifically though the PRO Act, which passed the House of Representatives on February 6, 2020, but has not been taken up in the Senate.

2.25. Corruption

Protect employees who stand up against corruption

Protecting Employees That Stand Up Against Corruption

Stakeholder(s):

Whistleblowers :
Current law protects whistleblowers through 23 statutes that prohibit an employer from taking adverse action against an employee that reports a variety of forms of misconduct.

States

Union Employees :
Noticeably absent from this list are protections for union employees that report union misconduct. While an employee that reports employer discrimination based on an employee's union support would be protected from retaliation, a union employee that reports corruption within the union can legally be fired for doing so. Unfortunately, this serves as a disincentive for union employees, who are the most likely to witness violations, to report corruption.

Rep. Francis Rooney :
It is for this reason that the Task Force recommends implementation of the Union Integrity Act, introduced by Rep. Francis Rooney (FL-19). The Union Integrity Act would protect union employees that stand up against union corruption in the same way that thousands of other employees are protected.

2.26. Transparency & Accountability

Promote union transparency and accountability

Promoting Union Transparency and Accountability

Stakeholder(s):

Unions

States :
Currently 22 states allow companies to require employees to pay union dues as a condition of employment.

Companies

Employees :
However, many of these employees have no way to find out how their dues are being spent. The Task Force vehemently opposes forcing employees to belong to a union without giving them access to important financial information related to their own contributions. Those who do live in right-to-work states should also have access to this information, which enables them make a well-informed decision of whether or not to continue to be represented by the union.

Department of Labor :
In 2003, the Department of Labor under President George W. Bush finalized rules seeking to increase transparency and accountability of unions though enhanced financial reporting requirements. Specifically, the rules required unions to disclose financial interests in trusts that received more than half of their income from unions, provide details on the buying and selling of assets, and provide information on potential conflicts-of-interest.

President Obama :
Predictably, these rules were rescinded by the Department of Labor under President Obama.

Trump Administration :
The Trump administration has sought to bring back some of these rules, an effort the Task Force strongly supports.

2.26.1. Dues

Protect union member access to how their dues are being spent

Stakeholder(s):

Union Members

Rep. Francis Rooney :
However, to protect union member access to how their dues are being spent, the Task Force recommends enactment of the Union Transparency and Accountability Act, introduced by Rep. Francis Rooney (FL19). This bill that would codify the Bush administration's union reporting requirements into the Labor-Management Reporting and Disclosure Act (LMRDA).

2.27. Small Business Owners

Reduce regulations on small business owners

Reducing Stifling Regulations on Small Business Owners

Stakeholder(s):

NRLB :
Under current law, the NRLB is allowed to decline jurisdiction over small companies that do not pass a certain annual revenue threshold. Those thresholds are generally $50,000 in annual revenue for non-retailers and $500,000 in annual revenue for retailers. The thresholds have not been adjusted for inflation since they were set in 1959.

Small Companies :
At a minimum, the Task Force believes those thresholds should be adjusted for inflation to $400,000 for non-retailers and $4 million for retailers.

Non-Retailers

Retailers

Small Business Owners

2.27.1. NLRB Exemption

Exempt small businesses from NLRB

Ideally, the Task Force supports passing legislation exempting small businesses from NLRB. This would reduce compliance costs and regulatory risk for small businesses.

Stakeholder(s):

Small Businesses

Policymakers :
As many of these small businesses struggle to stay afloat during the pandemic, it is absolutely essential that policymakers relieve as many regulatory and compliance burdens as practicable.

2.28. Cooperation

Promote alternative labor management cooperation

Promoting Alternative Labor Management Cooperation ~ The Task Force supports alternative forms of labor-management cooperation outside traditional unions.

Stakeholder(s):

Employee-Involvement Programs :
Employee-involvement programs, like works councils and almost all other formal labor-management cooperation models, are prohibited under current law, unless the company already has a traditional union.

Germany :
In Germany, nearly 90% of large companies (those with more than 500 employees) have active work councils.

Works Councils :
Around the country several other forms of labor-management in addition to unions currently exist. Through works councils, employees are able to elect representatives to discuss concerns with management, such as changes to workplace policy, safety standards, and equipment.

Companies :
Other companies have formed committees with employees and managers to suggest improvements to wages and benefits, or action teams made up of randomly selected employees.

Unions :
Though alternative models do not impact the ability of unions to represent employees, any model that promotes discussion between employees and an employer is prohibited under the NLRA unless the employees are already represented by a union. Allowing for employee-involvement programs outside the confines of a traditional union would put pressure on unions to modernize, innovate, and better meet employee needs in order to maintain support.

American Workers :
Any policy that results in improved services for the American worker should be encouraged.

2.28.1. Organization

Empower employees to choose alternative forms of organizing

Stakeholder(s):

Employees :
As a result, the Task Force strongly supports employee-involvement programs and believes that employees should be able to choose alternative forms of organizing without also being represented by a union.

2.29. Opioids

Extend a lifeline to those suffering from opioid addiction

Extending a Lifeline to Those Suffering from Opioid Addiction ~ Unfortunately, more and more Americans are suffering from opioid addiction than ever before. Between 1999 and 2017, opioid overdose deaths increased by almost 500 percent. And for every fatal overdose, about 30 nonfatal overdoses occur. While not only heartbreaking, the opioid epidemic is also affecting American workers. While many factors contributed to the decline in long-term labor participation rates "Labor force participation has fallen more in areas where relatively more opioid pain medication is prescribed, causing the problem of depressed labor force participation and the opioid crisis to become intertwined."

Stakeholder(s):

Prime-Age Males :
Almost half of prime-age men that are not in the labor force take pain medicine daily, with 31 percent of them taking prescription painkillers. Furthermore, the increase in opioid prescriptions could account for 20 percent of the decline in labor participation in prime-age males, and 25 percent of the decline in labor participation in prime-age females. This translates to almost 1 million people absent from the labor force as a result of opioid addition. Between 1999 and 2015, this resulted in a loss of $702.1 billion in real economic output.

Families :
The Task Force recognizes that the grip of opioid addiction can be devastating for both individuals and their entire families and is committed to helping those suffering from addiction get back on their feet. It

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Stakeholders (continued)

recognizes the potential the COVID-19 pandemic may have in also exacerbating the opioid epidemic.

States :
The main defense against the effects of opioid addiction is stopping over-prescription. States first and foremost control the prescribing and dispensing of prescription drugs and thus are on the front lines in this respect. The Task Force applauds those states that have made strides in reducing over-prescription of opioid medication in recent years, such as Ohio, Kentucky, New York, Tennessee, and Florida. Still, more can be done to ensure that those that do suffer from this disease can access existing resources to help them turn their lives around and provide for their families.

Ohio

Kentucky

New York

Tennessee

Florida

Rehabilitation Services Program :
WIOA's Rehabilitation Services Program currently provides formula grants to state agencies for vocational rehabilitation services. A state vocational rehabilitation agency may provide counseling, medical and psychological services, and job training to individuals with a myriad of physical or mental disabilities.

2.29.1. Rehabilitation Services

Allow individuals recovering from addiction to participate in WIOA's Rehabilitation Services Program

The Task Force recommends that individuals recovering from addiction be allowed to participate in this program by incorporating this substance use disorder within the scope of qualifying conditions. Access to already existing resources could provide the boost that many individuals suffering from addiction need to take that next step in returning to the workforce for the benefit of themselves, their families, and their communities.

3. Welfare

Reimagine welfare to empower individuals and families

Stakeholder(s)

Individuals **Families**

By almost any standard of review, the modern welfare state has been an abject failure. Instead of measuring success by how many people are transitioned into self-sufficiency, our current system defines success by the growth of each government assistance program, the number of people who are actively enrolled, and the amount of taxpayer dollars spent. This backwards approach has trapped countless millions of Americans in a hopeless cycle of dependency. In times of economic certainty, this has needlessly deprived these individuals of their true potential and hamstrung the full power of our economy. During the present pandemic, the backwards policy approach now threatens to ensnare even more Americans in the welfare trap, fuel the Left's push toward socialism, and jeopardize a return to prosperity. In contrast, our approach is based on the belief that each individual has inestimable dignity, value, and potential—and that everyone deserves better than a lifetime of government dependency.

3.1. SNAP

Reform the Supplemental Nutrition Assistance Program

Reforming the Supplemental Nutrition Assistance Program ~ As noted above, the current structure of Supplemental Nutrition Assistance Program (SNAP) rewards disengagement from the workforce, hindering the goal of helping Americans become self-reliant. As the economy continues to improve, SNAP must be reformed to better usher capable people back into positive and gainful employment. During normal times, the SNAP program limits benefits for ABAWDs who are unwilling to work, search for work, or enroll in job training to three months in any three-year period. Recognizing the lack of opportunity during times of high unemployment, the program waives such requirements for ABAWDs living in low-opportunity areas (at the state or county level). These areas include those where: (1) the average 12-month unemployment rate is over 10 percent; or 2) the average 24-month unemployment rate is 20 percent higher than the national average. Unfortunately, this framework has been decimated by the manipulative use of waivers in recent years, allowing areas with normal unemployment rates and plenty of job opportunities to skirt reasonable work requirements. Even when these geographic waivers are unavailable, states can still use discretionary waivers that automatically allow a state to exempt up to 12 percent of its ABAWDs from work requirements. The unnecessary use of waivers traps beneficiaries on the program instead of helping them rejoin the workforce when appropriate. For instance in 2018, well into a prosperous pre-pandemic economy, the average national unemployment rate was 3.9 percent—lower than pre-Great Recession levels—and only one state had an unemployment rate above 6 percent. Yet, that year, 5 states and the District of Columbia retained full waivers from work requirements, as well as 1,287 of the nation's 3,142 counties across 28 states. In other words, the manipulative use of waivers simply means that work requirements are turned off when they should be turned on. The use of waivers seems particularly problematic when one considers the fact that an ABAWD could fulfill the work requirement by simply looking for work, enrolling in a job training program, or by volunteering.

3.1.1. Waivers

Reform waivers so that they do not detach SNAP beneficiaries from a labor market.

The Task Force supports efforts to reform waivers so that they do not unnecessarily detach SNAP beneficiaries from a labor market capable of supporting them.

Stakeholder(s):

SNAP Beneficiaries

Employers

3.1.2. Unemployment Rate

Eliminate waivers currently available to locations where the average 24-month unemployment rate is 20 percent higher than the national average.

First, lawmakers should eliminate waivers currently available to locations where the average 24-month unemployment rate is 20 percent higher than the national average.

Stakeholder(s):

Jamie Hall :
As Jamie Hall of The Heritage Foundation has pointed out, certain localities tend to lag national employment averages on a long-term basis, resulting in the permanent availability of waivers. Moreover, basing waivers on the relative unemployment numbers means that locations can receive a waiver even when experiencing exceptionally low unemployment.

Localities :
For instance, in February 2020, just before the pandemic, the national unemployment rate was 3.5 percent, a 50-year low. That means that localities with an unemployment rate of 4.2 percent—indicative of unemployment rates during the strong economy that existed at the turn of the 21st century—would qualify for a waiver.

USDA :
In recognition of Congress's failure to enact meaningful pro-work reform in the 2018 Farm Bill, the Trump administration has promulgated a Department of Agriculture rule that strengthens the work requirements in SNAP for ABAWDs. This rule sets firm, metrics-based, nation-wide standards for how states can apply for geographic waivers.

Bureau of Labor Statistics :
In particular, the rule would use Bureau of Labor Statistics defined commuter areas with shared labor and economic activity pools to serve as the standard for determining what qualifies as an area for the program. This eliminates the availability of state-wide waivers.

States :
Additionally, the rule adds a 6 percent minimum unemployment rate for a state to be eligible for a waiver based on its relative unemployment rate—a step in the right direction. The Task Force supports the Trump administration's rule and urges its codification.

3.1.3. Waivers

Reduce the discretionary waiver allotment and consider reducing the grace period.

As our economy improves, lawmakers should also reduce the discretionary waiver allotment down from its present level of 12 percent and consider reducing the grace period (three months in a three-year period) where someone can receive SNAP benefits without meeting the program's work requirements. The Task Force also urges lawmakers to enact other critical reforms that would fairly promote work among beneficiaries regardless of the state of the economy and ensure that the program is only being utilized by those families and individuals that truly need it. A basic principle for government assistance programs is that a person should only receive taxpayer-funded benefits if he or she meets a program's eligibility requirements. Allowing individuals to receive government benefits without the requisite need encourages dependency and redirects a state's attention from workforce development to bloating the rolls. Unfortunately, a policy called "broad-based categorical eligibility" allows a person to claim benefits under one program just by receiving benefits from another, even if receiving benefits from the other program did not involve any income or asset test. Data shows that widespread use of broad-based categorial eligibility has resulted in millions of ineligible individuals receiving welfare benefits. Current law requires states to limit SNAP benefits to only those households with assets of $2,250 without an elderly household member ($3,500 with an elderly household member) or less in order to focus the program on those who are truly needy. This asset test includes cash and liquid assets like stocks but excludes things such as primary residences, vehicles, and education and retirement savings. However, nationwide, more than 5 million individuals are receiving SNAP benefits despite having assets above the aforementioned statutory limit. More than half of these households have assets of $20,000 or more, and more than 20 percent of them have assets of greater than $100,000. As the Foundation for Government Accountability has exposed, SNAP enrollment loopholes are so broad that millionaires can receive benefits.

3.1.4. Eligibility

Deem individuals eligible for SNAP only if they received "ongoing and substantial" TANF benefits.

Under the revised rule, a state could deem an individual categorically eligible for SNAP only if the individual received "ongoing and substantial" TANF benefits. This rule would prevent states from considering a person who received a brochure, hotline number, or other nominal TANF benefit to be eligible for SNAP. Instituting a basic standard to prevent abuse of categorical eligibility would reaffirm that welfare is only for the truly needy and reduce overall dependence on welfare. The Task Force supports the proposed rule and further recommends that Congress codify it to prevent further abuse of categorical eligibility.

Stakeholder(s):

USDA :
In July of 2019, the USDA released a proposed rule revising broad-based categorical eligibility.

3.1.5. Heat & Eat Loophole

Closing the so-called "heat and eat" loophole.

The Task Force also supports closing the so-called "heat and eat" loophole.

3.1.6. Home Visits

Require consent to home visits as a means of deterring welfare fraud.

While current federal law allows states to integrate home visits into their SNAP programs, there is no requirement that they utilize this fraud deterrence mechanism. As a condition of SNAP eligibility, states should require consent to home visits as a means of deterring welfare fraud. Visits could help determine, or example, if a SNAP applicant does not actually have custody of a claimed dependent, has more assets than stated, or is being supported by another individual.

Stakeholder(s):

States

3.1.7. Healthy Food

Restrict the types of food that can be purchased to only healthy options.

The Task Force also recommends that states be required to restrict the types of food that can be purchased to only healthy options, such as those eligible in the Women, Infants and Children (WIC) Program, with the addition of lean meat and poultry. According to a study for the Department of Agriculture of SNAP purchases, "20 cents out of every dollar was spent on sweetened beverages, desserts, salty snacks, candy and sugar." Soft drinks ranked as the top overall commodity based on expenditures, followed by bag snacks at number 4, packaged candy at 11, ice cream at 15, cookies at 17 and cakes at 22. If the taxpayers are footing the bill for the basic needs of beneficiaries, those funds should be focused on core nutritional needs.

3.1.8. Marijuana-Based Products

Prohibit the purchase of marijuana-based products with SNAP benefits.

Using taxpayer money to fund consumption of these products degrades the work done by the employed individuals that earned the money.

Stakeholder(s):

Rep. Paul Gosar :
States should also be required to prohibit the purchase of marijuana-based products with SNAP benefits, as proposed by the No Welfare for Weed Act, introduced by Rep. Paul Gosar.

3.2. TANF

Enhance the Temporary Assistance for Needy Families Program

Enhancing the Temporary Assistance for Needy Families Program ~ In 1996, conservatives in Congress worked to reform the old Aid to Families with Dependent Children Program, which had created a destructive culture of dependency. These reforms were embodied in the Temporary Assistance for Needy Families (TANF) program, which replaced the failing, dependence-driven status quo and instead focused on work incentives. Thanks to these commonsense reforms, child poverty decreased and employment for single mothers increased. Despite the program's incorporation of work requirements into its original framework, the American Worker Task Force knows that TANF's effectiveness as a pro-work, pro-family program could be greatly improved.

Stakeholder(s):

States :
States have abused TANF, using more than half of the program's funding on purposes other than the core purposes of supporting work and marriage. States regularly use TANF dollars to plug state budget holes instead of using it on its intended purpose—helping families in need become self-sufficient. During a time of increased joblessness, it is more important than ever that TANF funds be used to provide critical services to those in need.

Needy Families :
Moreover, while states are supposed to ensure that 50 percent of all families and 90 percent of two-parent families be engaged in work-related activities, states can manipulate their percentages by spending in excess of the state's Maintenance of Effort (MOE) requirement. Consequently, 22 states and territories reduced their 50 percent all-family standard to zero, and 14 states and territories reduced their 90 percent two-parent family standard by more than 50 percent. Even in a recovering economy, this is unacceptable and can contribute to a slower recovery.

Rep. Kevin Brady :
Building off the TANF program's focus on encouraging self-sufficiency, the Task Force recommends implementation, with minor adjustments, of Ways & Means Ranking Member Kevin Brady's JOBS for Success Act. This legislation makes several important reforms to the TANF program to strengthen the program's focus on helping the poor, encouraging self-sufficiency, and increasing state accountability. Importantly, the bill's reforms would not impose undue burdens during the present pandemic and leave in place statutory flexibilities states have utilized to overcome recent struggles.

3.2.1. Funding Diversions

Prohibit states from diverting federal TANF funding to supplant state spending on social services.

The bill includes language that would prohibit states from diverting federal TANF funding to supplant state spending on social services and limits state use of TANF funds to families below 200 percent of the federal poverty level.

Stakeholder(s):

States

3.2.2. Individual Opportunity Plans

Maintain penalties for individuals who fail to comply with pro-work activities agreed to in their individual opportunity plan.

The bill would maintain current law penalties for individuals that fail to comply with pro-work activities agreed to in their individual opportunity plan.

3.2.3. Exceptions

Maintain the current law "good cause" exception from work requirements.

Importantly, the bill would also maintain the current law "good cause" exception from work requirements, granting flexibility to beneficiaries during the current pandemic.

3.2.4. Work Activities

Expand the scope of allowable work activities.

The bill would also expand the scope of allowable work activities with a greater emphasis on education, training, and substance abuse and mental health treatment—beneficial activities that can be undertaken generally without regard to labor market conditions.

3.2.5. Performance Accountability

Institute an outcome-based performance accountability system to more effectively assess the effectiveness of States in increasing employment, retention, and advancement among families.

Lastly, and perhaps most critically, the bill would replace current law's easily manipulated work participation rate system with an outcome-based performance accountability system to more effectively assess the effectiveness of States in increasing employment, retention, and advancement among families. Building off the JOBS for Success Act, the Task Force would also recommend several minor conservative modifications designed to further enhance the bill. Some of the suggested changes to the JOBS for Success Act include provisions that were in the original Ways and Means Committee draft of the bill from the 115th Congress.

Stakeholder(s):

States

Families

3.2.6. Child Poverty

Reallocate the size of each state's TANF block grant based on the child poverty rate of each state.

For example, the Task Force suggests reallocating the size of each state's TANF block grant based on the child poverty rate of each state.

Stakeholder(s):

Children

States

3.2.7. Time Limit

Bar state maintenance-of-effort (MOE) funds from being spent on beneficiaries beyond the 60-month limit placed on use of federal funding and on non-citizens.

The Task Force also supports adding new language barring state maintenance-of-effort (MOE) funds from being spent on beneficiaries beyond the 60-month limit placed on use of federal funding and on non-citizens.

Stakeholder(s):

States

Non-Citizens

3.3. Housing

Break the cycle of dependency in housing programs

Breaking the Cycle of Dependency in Housing Programs ~ The Task Force seeks to emphasize that federal housing assistance programs are in much need of reform. In their current form, these programs encourage broken homes, broken communities, low self-worth among recipients, and a cycle of dependency that encourages people to stay out of the workforce. Surely this is not the aim of housing assistance programs, but it has unfortunately been the result. These programmatic problems are only exacerbated by the present pandemic, making reform all the more critical.

Stakeholder(s):

Federal Housing Programs :
The dependence created by federal housing programs is reflected in the length of time people remain dependent on federal housing assistance.

HUD :
While the average length of stay varies slightly across the major HUD programs, the average across all programs is approximately 6 years. In some areas, that number is drastically higher, even staggering.

New York :
For instance, in New York, "one-half of all spells lasted 42 years or more, and one-quarter lasted 55 years or more."

Policy Experts :
Policy experts disagree whether the federal government should play a central role in subsidizing housing.

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Stakeholders (continued)

American Workforce :
However, in their present form, many of the existing federal housing policies act as direct barriers to a dynamic and innovative American workforce.

Impoverished People :
At a minimum, these policies must be reformed away from the tangled, dependency inducing, web they are today and should focus on moving the impoverished toward self-sustainability and full work engagement. This is truer now than ever to ensure that individuals and families most impacted by the current pandemic do not become permanently trapped on the welfare rolls like many of those that have come before them.

The recommendations outlined here by the Task Force provide a roadmap to do so.

Federal Government :
Overall, the federal government should strive to promote work and family formation, streamline the federal housing bureaucracy, create opportunity for upward mobility for participants, and unleash market forces to make housing authorities more competitive and economically efficient.

3.3.1. Housing First Policy

Abandon exclusive reliance on the so-called Housing First policy.

First, the Task Force recommends that the exclusive reliance on the so-called Housing First policy be abandoned, allowing for more innovative and flexible approaches to be adopted. Housing First requires community-based housing entities that receive federal housing aid to focus on putting beneficiaries into housing before addressing any other issues and concerns that exist with the homeless individual. Thus, local housing entities are required to ignore the causes of homelessness. In many cases, this creates unproductive and unsafe situations. This model prevents local housing entities from offering services to deal with addiction, domestic abuse, and unemployment. Exclusive reliance on the Housing First model not only interferes with these attempts from local housing entities, but it also prevents them from compelling engagement with these services as a condition of receiving housing aid. This practice hinders the personal growth of individuals receiving these transitional services and can be detrimental to the progress of the people housed around them. For example, these policies have led to recovering drug addicts being housed down the hall from active drug users. Opposition to the misguided Housing First policy is bipartisan. Even former Democratic New York City Mayor Ed Koch’s Deputy Director, Ralph DaCosta Nunez, described Housing First’s one-size-fits-all approach not as “public policy” but rather as “public stupidity.” Nunez pointed out that homelessness is not just an issue of homes, but often an issue of mental illness, domestic violence, and lack of education and skills.

3.3.2. Causes of Homelessness

Allow housing entities to require enrollment in services to deal with the causes of homelessness.

The Task Force recommends codification of the Trump administration's updated Continuum of Care (CoC) policy to mitigate the ill-effects of Housing First. The updated policy would allow housing entities to, after providing housing to people, require enrollment in services to deal with the causes of homelessness as a condition of continuing to receive federal housing benefits. Critically, this change gives flexibility to local housing entities, the groups that know best what needs to be done in their area. By building off the work of the Trump administration and ending exclusive reliance on Housing First policies we can tackle not only the root causes of homelessness but also some of the issues that impede the full engagement and empowerment of American workers. Sadly, the CARES Act included language preventing homeless service providers funded by the HUD Emergency Solutions Grants (ESG) program from requiring program participants to utilize supportive services (e.g., job training, financial literacy, substance abuse treatment). This excludes emergency shelter programs and faith-based organizations who successfully rely on a model of accountability. This language should be eliminated in any future funding measures.

Stakeholder(s):

Housing Entitities **Homeless People**

3.3.3. Work Requirements

Institute work requirements for non-elderly and non-disabled persons

The Task Force supports a number of other reforms designed to reduce dependence on federal housing programs. According to the Department of Housing and Urban Development, only 15 out of 3,100 housing authorities across the country require some sort of work or job training in return for benefits. This state of affairs is abysmal and must be fixed as we emerge from the pandemic and our economy continues to improve. The Task Force supports implementation of the Trump administration's proposal to institute "uniform work requirements for non-elderly and non-disabled persons to work a minimum of 20 hours per week, or participate in training or educational activities."

Stakeholder(s):

Non-Elderly Persons **Non-Disabled Persons**

3.3.4. Rent

Increase the rent paid by able-bodied tenants.

The Task Force also supports implementation following the pandemic of Secretary Ben Carson's proposal to implement a minor increase in the rent paid by able-bodied tenants to 35 percent of income with a $150 minimum rent to give states greater flexibility in modifying their programs and ensure that such beneficiaries undertake meaningful work. The present minimum of $50 per month is simply too low to ensure that tenants are taking their responsibility to become self-sufficient seriously.

Stakeholder(s):

Able-Bodied Tenants

3.3.5. Raises & Promotions

Review whether the present income limitations could be adjusted to encourage housing beneficiaries to attain raises and promotions.

Additionally, the Task Force urges lawmakers to review whether the present income limitations could be adjusted to encourage housing beneficiaries to attain raises and promotions.

3.3.6. MTW Program

Expand and make permanent HUD's Moving to Work (MTW) Demonstration Program.

The Task Force also recommends expanding and making permanent HUD's Moving to Work (MTW) Demonstration Program. This program offers select PHAs increased flexibility to use federal housing funds to help people into self-sustaining employment situations, ending the dependency cycle. This program has shown positive and proven results to combat homelessness in some parts of the country with the highest homes prices and rates of homelessness.

Stakeholder(s):

PHA Beneficiaries :
Presently, portability restrictions on the Housing Choice Voucher program make it difficult for beneficiaries to use their benefit outside of the jurisdiction of their local Public Housing Authority (PHA). These restrictions can limit the ability of an individual to accept employment that would offer a path to self-reliance and economic stability, if the job offer requires the individual to move outside of their local PHA jurisdiction.

Congress :
Congress should relax restrictions on Housing Choice Voucher portability, so that Americans, including those who are economically displaced by government policies related to the COVID-19 pandemic, may use vouchers to secure housing where they are able to secure job opportunities.

HUD :
Specifically, HUD should be required to grant portability requests, even when the 12-month residency requirement is not met, if the move is required for a new job (i.e., a "special family need").

3.3.7. Moving Expenses & Deposits

Allow a portion of Section 8 vouchers to be used to cover moving expenses and to put down security deposits to acquire housing.

Additionally, Congress should allow a certain portion of a recipient's Section 8 vouchers to be used to cover moving expenses and to put down a security deposit to acquire housing. This expanded use would alleviate burdens on people who seek to move to new communities to better their economic livelihood and become more self-reliant.

3.3.8. Eligibility

Extend eligibility of entities that can receive federal funding beyond PHAs.

Additionally, eligibility of entities that can receive federal funding should be expanded beyond PHAs to include private organizations, such as transitional housing facilities and faith-based organizations.

Stakeholder(s):

Private Organizations

Transitional Housing Facilities

Faith-Based Organizations

3.3.9. Housing Grants

Subject housing grants to competitive bidding.

The Task Force also recommends subjecting housing grants to competitive bidding based in large part on the ability of local grant recipients to move beneficiaries out of subsidized housing and into permanent, non-subsidized, safe, and secure housing. This reform would be designed to reward only the most effective housing solutions, based on track records of success.

Stakeholder(s):

Rep. Andy Barr :
Rep. Andy Barr (R-KY), Chairman of the American Worker Task Force, is presently developing legislation to implement these critical reforms.

3.3.10. Housing Authorities

Permit housing authorities to use profits to build units without government assistance and to reduce the need for federal funding.

To encourage private investment in public housing, housing authorities should be permitted to use profits to build units without government assistance and to reduce the need for federal funding.

Stakeholder(s):

Housing Authorities

Congress :
For example, Congress should expand the Rental Assistance Demonstration (RAD) Program and remove the statutory cap on the program. This would allow housing authorities to leverage public and private debt and equity to reinvest in public housing stock and ensure federal funding follows the people it is intended to serve—not the bureaucracy.

3.3.11. Income Reviews

Require PHAs to conduct periodic reviews of beneficiaries' income.

When individuals are able to cheat welfare programs it takes benefits away from those that truly need them, which is particularly egregious during the difficult times posed by the current pandemic.

Stakeholder(s):

HUD Inspector General :
According to the HUD Inspector General, over 25,000 families are receiving public housing benefits despite not meeting applicable income guidelines.

Rep. Bradley Byrne :
Requiring PHAs to conduct periodic reviews of beneficiaries' income, as proposed by Rep. Bradley Byrne's Public Housing Accountability Act would help to close this gap and restore the value and dignity of work engagement.

PHAs

3.3.12. Marriage Penalty

Reduce or eliminate the marriage penalty in public housing benefits.

Additionally, the current structure of public housing benefits discourages marriage and the formation of families. According to one study, "A single mother receiving benefits from Section 8 or public housing would receive a subsidy worth on average around $11,000 per year if she was not employed, but if she marries a man earning $20,000 per year, these benefits would be cut nearly in half." When the federal government maintains marriage penalties, it subsidizes against the cornerstone of civil society, the family. This marriage penalty should be reduced or eliminated as part of the Task Force's overall goal to remove such penalties.

3.3.13. Substance Abuse Recovery

Allocate a portion of federal housing funding to programs designed to assist those recovering from substance use disorder in order to help them become productive members of society

A portion of federal housing funding should be allocated to programs that are designed to assist those recovering from substance use disorder in order to help them become productive members of society. These programs should be open to faith-based, charity and non-profit organizations.

Stakeholder(s):

Faith-Based Organizations

Non-Profit Organizations

Charity Organizations

3.3.14. Waitlists

Fix the waitlist system.

Furthermore, the waitlist system should be fixed. Currently, the public housing waitlists will not place recipients into a roommate situation, leaving some people without housing and needlessly increasing costs for both the federal taxpayer and the beneficiaries. A survey in 2012 suggested at as many as 11.5 million families are on these waitlists and that the average wait time is around two years. These waitlists should be amended to allow for the placement of people into appropriate roommate situations when those opportunities exist.

3.4. Disability Insurance

Empower work-able individuals on Social Security Disability Insurance

Empowering Work-Able Individuals on Social Security Disability Insurance ~ The Task Force recommends implementation of the following provisions of the Making DI Work for All Americans Act:

Stakeholder(s):

Work-Able Individuals

People with Disabilities :
Another crucial step in promoting a culture of work and self-reliance is reforming our welfare programs that help people with disabilities.

SSDI Program :
Over the past 20 years, enrollment in Social Security Disability Insurance (SSDI or DI) has increased by over 60 percent.

Labor Force :
At the same time, the labor force participation rate has plummeted over the same time period to just 63 percent.

Taxpayers :
This means there are fewer tax-paying workers supporting a growing non-working population—a recipe for disaster and economic stagnation.

DI Beneficiaries :
Under the DI program's current design, beneficiaries can become trapped and unable to earn a living even if they get healthier and want to return to work. Surveys of DI beneficiaries have shown that 40 percent of those receiving benefits are interested in working. However, only 3.7 percent of beneficiaries actually leave the rolls each year because they get a job. Beneficiaries face a "cash cliff" because they will be removed from the rolls if they earn above a set amount, creating a powerful incentive for beneficiaries to ignore employment opportunities.

Mercatus Center :
The last few years have proved there are many good ideas available to tackle what will otherwise be the eventual insolvency of the DI Trust Fund head on. Reputable think tanks, such as the Mercatus Center and The Heritage Foundation, published proposals with innovative solutions and brought members of Congress, staff and experts together to discuss the problem.

The Heritage Foundation

McCrery-Pomeroy SSDI Solutions Initiative :
The McCrery-Pomeroy SSDI Solutions Initiative was formed, and several papers detailing how to improve the DI program were presented at its conference.

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Stakeholders (continued)

Rep. Todd Rokita :
Among these efforts, former Rep. Todd Rokita introduced the Making DI Work for All Americans Act—now sponsored by Rep. Ted Yoho—a bill that pulls together many of the best reforms DI needs. The Task Force recommends implementation of most of the proposals in this bill along with a few additional reforms that would enhance its effects.

Rep. Ted Yoho

3.4.1. Benefit Level

Establish a Single Flat Benefit Level.

Creating a flat benefit for all SSDI beneficiaries would serve as an anti-poverty measure by increasing benefits for many SSDI beneficiaries and decreasing them for the highest income earners, reducing the present disincentive to reenter the workforce. Additionally, higher income earners are much more able to supplement SSDI with private disability insurance, allowing the organic growth of this market and encouraging free market solutions to safeguard against being unable to be in the workforce.

3.4.2. Double Dipping

End Double-Dipping of Disability Insurance and Unemployment Insurance.

These two programs are meant to serve mutually exclusive populations. DI is for individuals who are unable to work, and UI is for individuals temporarily unemployed. Individuals should not be allowed to draw benefits from both programs at the same time. Allowing this double dipping just incentivizes people to remain out of work for longer at the expense of those that are engaged in the workforce.

3.4.3. Retroactive Benefits

Match Retroactive Benefits to the Period of Retroactivity.

Under current law, new beneficiaries receive back-pay for the months between filing their claim and being approved. However, they may also receive up to an additional 12 months of back pay for the retroactive period. This is the period when they had the disability but were not allowed to apply for SSDI benefits. However, individuals only need to wait 5 months after the onset of a disability to apply for benefits. As such, the Task Force supports only awarding these retroactive payments for up to 6 months to cover this mandatory waiting period and a month to file the claim.

3.4.4. Unearned Income

Include Unearned Income in the Definition of Income.

Under current law, benefits are only reduced if a beneficiary earns more income, serving as a work disincentive and allowing people with large unearned income (from investments, for example) to continue receiving SSDI benefits. This proposal would include all passively earned income and all investment income to the assessed income of potential applicants and beneficiaries.

3.4.5. Jobs Listing

Update the Official List of Available Jobs.

SSDI's official list of available jobs was last updated roughly 30 years ago. Consequently, it includes many jobs that are virtually nonexistent and excludes jobs in many innovative and new industries. This allows many people that can now join the workforce, but perhaps could not a few decades ago, to instead continue to receive benefits and stay out of the workforce.

3.4.6. Non-Medical Qualifications

Eliminate the Non-Medical "GRID" Qualifications of Age, Education, and Work Experience.

Congress must ensure that only the truly disabled are eligible to receive benefits. Unfortunately, the criteria to determine eligibility has not been amended to reflect advances in medicine, technology and the labor market, leading the GAO to designate federal disability programs, including the DI program, as "high risk." Many of the medical criteria have not been updated since the 1980's when the qualification standards were expanded. A large percentage of applicants suffer from mental or musculoskeletal problems, which can be difficult to diagnose. Thus, a diagnosis and ability-to-work determination can be subjective and can vary from one adjudicator to the next. Many DI beneficiaries are now awarded benefits based on the "Medical-Vocational Grid" rather than meeting a specific condition on the "Listing of Impairments." The grid uses various factors (including age, education, skills levels, and English language proficiency) to determine if a person is disabled instead of focusing on whether a person can perform work in the modern or local economy. This has led to egregious oversights, including an instance where the SSA awarded benefits to individuals in Puerto Rico because they only spoke Spanish, despite the fact that "Spanish is the predominant language spoken in the local economy." The Task Force recommends these eligibility standards be updated to reflect the advances in science and medicine and that those standards be updated regularly and more uniformly applied.

3.4.7. Continuing-Disability Reviews

Strengthen Continuing-Disability Reviews (CDRs).

According to the Social Security Administration (SSA), these reviews are one of the most cost-effective tools for improving program integrity. Every dollar spent on reviews between 1996 and 2011 generated $10 in future program savings. However, there is significant room to utilize modern technology to enhance their effectiveness. For instance, CDR mailers should be replaced with online questionnaires that can more easily ask detailed questions to ensure that the CDRs report accurate data.

Stakeholder(s):

Social Security Administration (SSA)

3.4.8. CDR Backlog

Take advantage of advances in "big data" for data analytics and prioritizing backlogged CDR cases.

SSA should also take advantage of advances in "big data" for data analytics and prioritizing backlogged CDR cases. A recent GAO study found that, "SSA could increase savings by refining its selection of cases for disability review." SSA should use these tools to better ensure that only people who are still disabled and unable to work continue to receive SSDI payments.

Stakeholder(s):

SSA

3.4.9. Eligibility

Allow use of Social Media in Eligibility Determinations.

SSA should be allowed to look at the social media postings of applicants to verify their claims and prevent fraud. This would expand the capacity of SSA to ensure that it has accurate information and can prevent bad-actors from inappropriately relying on the income of those that do work.

Stakeholder(s):

Social Media

3.4.10. Judicial Code of Conduct

Apply Judicial Code of Conduct to Administrative Law Judges (ALJ).

The code of conduct that applies to AJLs is less stringent than the code that applies to other federal judges. The Task Force supports applying the same code followed by other federal judges to ALJs.

Stakeholder(s):

Administrative Law Judges (ALJ)

3.4.11. Outlier Judges

Conduct Reviews of Outlier Judges.

There is presently no process to review judges that award either an unusually high or unusually low number of cases. The Task Force supports creating a method to review these judges to ensure a standardized process for adjudicating cases. This would increase the efficiency and accuracy of the process, ensuring the program does not subsidize against work engagement.

Stakeholder(s):

Outlier Judges

3.4.12. ALJ Caseloads

Reduce Target Caseloads for ALJs.

ALJs hear appeals from DI applicants who have their initial application and reconsideration for benefits denied. ALJs face a huge task: as of FY 2018, the SSA faced a backlog of over half a million claims awaiting a decision, according to the SSA Office of Inspector General. The Task Force supports increasing the number of ALJs to improve the efficiency and accuracy of the process and reduce the long-term costs from initial inaccurate handling of cases.

Stakeholder(s):

ALJs

3.4.13. Reconsideration Reviews

Eliminate the Reconsideration Review Stage.

Reviews occurring at the Reconsideration Review Stage are conducted in a nearly identical process to the first application, but by a different set of bureaucrats. This stage is not needed to go through the appeals process and simply adds to the backlog of cases without increasing the efficiency or accuracy of the process.

3.4.14. Payments to Representatives

End SSDI Payments to Representatives Out of Personal Benefits.

An audit from the SSA Office of the Inspector General on attorney representation at the initial application stage found that only 37 percent of representatives assisted the client throughout the claim process, 41 percent helped only with filing the claim, and 22 percent appeared to provide no assistance at all. Unlike other legal cases, the clients in DI cases do not directly pay their attorneys. Instead, the SSA will withhold the attorney's fees from the successful claimant's award and transmit the fees to the lawyer. The SSA also provides reimbursement for attorney travel fees. After a claimant wins an appeal, SSA awards the individual the benefits back-dated to when he or she originally would have been awarded them and pays out a lump sum. If the beneficiary had attorney representation, SSA deducts 25 percent of that amount (up to the maximum allowable fee of $6,000) for the attorney's fee. This arrangement guarantees these attorneys easy access to money in an uncompetitive process, incentivizes action to cause a delay in adjudicating a case, and prevents beneficiaries from being able to utilize their own benefits. Building on the reforms in the Making DI Work for All Americans Act, the Task Force recommends implementation of several other reforms to the SSDI program:

3.4.15. Medical Improvement

Eliminate the Medical Improvement Review Standard.

Once a beneficiary has been determined unable to work, Eliminate the Medical Improvement Review Standard (MIRS) prohibits that designation from being changed unless the beneficiary's medical condition has changed. However, as the state of the economy changes, some people that may not have been able to get a job when they began receiving SSDI benefits could now reenter the workforce, even if the underlying medical condition is unchanged. As such, the Task Force supports having the CDR process use the same standards for each review to simply determine whether or not a beneficiary can now reenter the workforce.

3.4.16. Cost Reductions

Give Employers a Stake in Reducing SSDI Costs.

Employers and their employees are both better off when employees can stay in the workforce in some capacity. With this in mind, the Task Force supports implementation of a demonstration project to incentivize workplace accommodations. Specifically, it would allow the SSA to vary the employer-side SSDI payroll tax for companies based on how many of their employees go into the program in a way that is revenue neutral in the aggregate. This reform would be similar to what is now done under the Unemployment Insurance system. It would give employers an incentive to see their workers remain engaged in the workforce.

Stakeholder(s):

Employers

3.4.17. Work Requirement

Require SSDI Applicants to Have Worked in Recent Years.

In general, applicants for SSDI must have worked five of the last ten years to be eligible for benefits. That means someone who has not worked in the last five years could be eligible for SSDI benefits. To focus the program on people who leave the workforce because of a new disability, applicants should be required to have worked in forty of the past sixty months (excluding the length of the current pandemic).

3.4.18. Private Disability Insurance

Utilize Private Disability Insurance.

Compared with SSDI, private disability insurance offers better benefits and results in workers returning to work faster. It also accomplishes this at a cheaper cost than SSDI.

Stakeholder(s):

Employers :
Employers that offer long-term private disability insurance often work with the employee and the insurance company to provide workplace accommodations in the event a covered employee becomes disabled. These plans also often have comprehensive disability management programs that can help rehabilitate individuals and prepare them to reenter the labor force when possible.

Private Sector Workers :
About 40 million private sector workers are covered by these types of plans. Steps should be taken to allow more workers to adopt private disability coverage, and to promote better integration of private insurance with the government-run SSDI system.

Employees :
Employers and employees could be allowed to forgo paying a portion of payroll taxes and instead use those funds to pay for private disability insurance.

States :
Another option could be to allow states to opt out of federal SSDI and instead produce a state-run program or a fully private system. Such reforms could reduce tax burdens, cut costs, and implement innovative methods of fulfilling the role of the SSDI Trust Fund.

3.5. Pilot Projects

Streamline programs through pilot projects

Streamlining Programs through Pilot Projects

Stakeholder(s):

Rep. Tom Reed :
The Task Force supports the Help Americans in Need Develop Their Ultimate Potential (HAND UP) Act, introduced by Rep. Tom Reed, which would allow states to combine several welfare programs, including TANF, SNAP, the Social Services Block Grant, housing programs and workforce innovation programs, into a single streamlined program.

States :
This would give states more flexibility to administer assistance programs, but would still require states to encourage work and self-reliance with the goal of moving families and individuals out of poverty. Under a variation of this proposal, the multitude of programs could be combined and the funding could be provided to a state in a single trust fund at a level based on the historical average across a business cycle. Using the trust fund, a state could choose to save funds during good years and draw down more funds when their economy is under performing. This would be paired with appropriate conditions, such as penalties for states that refuse to incorporate anti-dependency requirements. Another option would be giving individuals a choice of programs for which they could be eligible while ensuring they do not receive duplicative benefits.

3.6. Prioritization

Prioritize American Citizens

Prioritizing American Citizens ~ For over 100 years, the "public charge" doctrine has served as a cornerstone of U.S. immigration law. It also lies at the nexus of welfare reform and immigration policy. It can either promote the American worker or simply create more government dependency. According to this doctrine, the U.S. should deny admission and permanent residence to any individual likely to depend upon the government for subsistence. The concept is a simple one: our country should be open to those that will seek the American dream, not those that will seek to depend on the American taxpayer.

Stakeholder(s):

American Taxpayers :
The more that each American taxpayer is relied upon for the well-being of those that do not work, the more our nation promotes disengagement from the workforce. Particularly during times of economic uncertainty, our government must be cautious of admitting foreigners likely to become dependent on our welfare system and on the American taxpayers that fund it.

American Citizens :
The welfare reforms of 1996 embraced this notion by limiting welfare benefits to citizens and certain categories of legal immigrants after having been in the U. S. for five years.

Legal Immigrants :
The Task Force would build on these reforms by recommending that welfare funds only be available for U.S. citizens (including legal immigrants that are now naturalized U.S. citizens) and refugees for their first two years in the United States.

Refugees

Department of Homeland Security :
On February 24, 2020, the Department of Homeland Security (DHS) finalized a rule strengthening the criteria it uses to determine whether an alien is ineligible for permanent residence to the U.S. on account of the alien's likelihood of becoming a public charge. Implementing this rule will encourage self-sufficiency among immigrants and protect the welfare system from excessive burden. The Task Force supports this rule as a step in the right direction and urges congressional codification.

U.S. District Court for the Southern District of New York :
Unfortunately, on July 29, 2020, the U.S. District Court for the Southern District of New York enjoined the Department of Homeland Security from enforcing the final rule during the COVID-19 pandemic, a clear act of judicial activism.

Illegal Alien Populations :
Also, the Task Force supports amending welfare funding formulas to exclude illegal alien populations when calculating the grants given to states.

Federal Job Training Programs :
Further, the Task Force supports requiring that all people are checked through the Department of Homeland Security E-Verify system before being able to take advantage of a federal job training program. This way, funding for federal job training programs would only go to people who can legally work in the U.S., ensuring these funds are invested in developing the American worker.

3.7. Waste, Fraud & Abuse

Protect beneficiaries against waste, fraud, and abuse

Protecting Beneficiaries Against Waste, Fraud, and Abuse ~ A disappointing consequence of the federal government spending so much on assistance programs is the predictable fraud that occurs. Fraud and waste also create an incentive to cheat, which degrades the work done by honest Americans and jeopardizes benefits for those who truly need them. Wasted funding also makes it exceedingly more difficult for lawmakers to remedy marriage penalties present in a number of programs and tax benefits, such as the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC). These penalties can have a disastrous impact on the formation of families and the creation of environments that promote self-sufficiency and responsibility... With our entitlement programs facing dire financial futures and more Americans receiving welfare benefits than ever before, we cannot afford to waste money simply because the federal bureaucracy writes checks to the wrong people or for the wrong amount. The agencies—at both the federal and state levels—that administer the dozens of welfare programs owe it to the American people to do better. These errors, waste, and fraud do not just cost taxpayers money; they divert resources away from helping those who need it most, creating a cycle of dependency that traps generations in poverty and depletes the American workforce.

Stakeholder(s):

USDA :
For example, according to USDA, fraud is rampant in the SNAP program, growing 128 percent between 2010 and 2016.

IRS :
The EITC is also plagued with a high improper payment rate at 25.26 percent in FY 2019 equaling over $17.3 billion. The IRS overpaid roughly $7.2 billion in Additional CTC payments in FY 2019 as well.

Medicaid :
Medicaid's improper payment rate of 14.9 percent is staggering, with $57.3 billion in improper federal payments in FY 2019 alone. Medicaid's annual improper payments are larger than almost all federal programs and almost three times the size of NASA's entire annual budget. While not all improper payments are a result of fraud, improper payment rates are a useful indicator of fraud levels. Congress exacerbated this problem within Medicaid during the pandemic response with so-called maintenance of effort (MOE) provisions enacted in the Families First Coronavirus Response Act.

States :
The MOE provision restricts a state's ability to combat waste in their Medicaid program by prohibiting any changes to eligibility or benefits in exchange for a 6.2 percent increase in the federal Medicaid match rate during the pandemic. This means that a state could not remove anyone from their Medicaid program who was enrolled at the time or after the bill passed, even if an individual was no longer eligible or even committed fraud. This change has resulted in a 5 to 7 percent increase in reported Medicaid membership growth over the last few months, attributable entirely to coverage of individuals who otherwise would be ineligible.

Congress :
Congress must immediately undo these harmful provisions and afford states the ability to fight waste, fraud, and abuse in the programs they oversee.

Agencies :
Upon an application for benefits, agencies can and should stringently verify and crosscheck the criteria for eligibility, such as income, residency, identity, employment, citizenship status, and receipt of any current benefits to ensure the applicant is actually eligible for the program. Once a beneficiary is enrolled, the agency should regularly conduct reviews of the beneficiary's eligible information, including by crosschecking other government datasets. Finally, if the agency determines a beneficiary is no longer eligible, the beneficiary should be removed from the rolls and the agency should refer those who knowingly break the law to authorities for prosecution. At all times, agencies need to remember their mission is to keep people out of the welfare dependency trap and to move people to a productive life of self-sufficiency. Under no circumstance should success at a welfare agency be measured by how many people can be kept on the rolls.

Attorneys General :
The federal government should reduce fraud in state-administered programs by incentivizing state agencies and attorneys' general to investigate and prosecute welfare fraud. If states are allowed to retain a portion of the dollars recovered due to their actions against fraud and abuse, they will be more likely to crack down on it.

Rep. David Rouzer :
States should also be encouraged to withhold benefits from individuals who test positive for illegal drugs, as provided by Rep. David Rouzer's Drug Testing for Welfare Recipients Act.

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Stakeholders (continued)

Department of Labor :
In March 2017, Congress and President Trump took an important step in this direction by enacting a Congressional Review Act resolution disapproving of an Obama-era Department of Labor regulation that blocked states from even performing limited drug testing for certain welfare applicants.

Welfare Programs :
Some welfare programs include "bonus payments" to states that may be well intentioned but can unfortunately harm the integrity of the programs. For instance, a bonus payment aimed at rewarding efficient administration of a program could have the unintended consequence of incentivizing state agencies to ignore improper payments.

SNAP Program :
The SNAP program has reportedly paid performance bonuses for expanding enrollment. Performance bonuses should be thoroughly reviewed and eliminated if they jeopardize the integrity of programs.

IRS :
Fraud, in the EITC and CTC, should be reduced by requiring the IRS to better verify income and verify that tax filers actually care for and have custody of the children they claim to receive higher benefits.

Families :
Families claiming self-employment income should be required to provide better documentation, and the IRS should be allowed to cross-check TANF, SNAP and public housing rolls to verify family size and income. Penalties should be increased for erroneous claims.

Illegal Immigrants :
Moreover, the EITC should be entirely cut off from individuals without a work-eligible Social Security number and for illegal immigrants issued a Social Security number under President Obama's executive amnesty, as proposed by Rep. Patrick McHenry's No Free Rides Act and Rep. Glenn Grothman's Preventing Illegal Immigrants from Abusing Tax Welfare Act. The savings from these reforms would allow lawmakers to create a stronger combined tax credit that does not contain a marriage penalty.

Rep. Patrick McHenry

Rep. Glenn Grothman

3.8. Goals & Markets

Leverage the market to pay for success

Leveraging the Market to Pay for Success ~ One policy option that is worth exploring is incorporating the pay-for-success components into existing programs. Funding programs based on goals allows the federal government to set program objectives and fund programs that can demonstrate success, allowing innovation to flourish and reducing the need for stringent federal regulation of programs carried out at the state and local level.

Stakeholder(s):

Means-Tested Programs :
The federal government operates nearly 90 means-tested programs, in addition to the dozens that states run with federal funding. Many of these programs seek to achieve a specific goal.

Job Corps :
For instance, the goal of the Job Corps program, which provides technical training to students, is to prepare participants to enter the workforce, enroll in a program of higher education, or join the military. However, providers are often paid by how many individuals they serve, whether or not the program works. The current funding structure allows failing programs to continue rather than reallocating the funds to more successful models.

Nongovernmental Providers :
One application of this idea allows states to issue Social Impact Bonds to finance specific projects to accomplish the goals of the program through nongovernmental providers.

Investors :
State and private investors who purchase these bonds would be reimbursed by current federal programs only if an independent evaluator finds the project is successful at meeting stringent pre-established goals.

Evaluators

Taxpayers :
This approach minimizes the risk and maximizes the return for taxpayers.

Low Income People :
This would also work to integrate market efficiency into these projects, ensuring these programs help low income people find meaningful work. Instituting this concept is even more important and timely as we emerge from the market reorienting pandemic.

Congress :
Several federal laws already include provisions that require or allow pay-for-success initiatives, including the Workforce Innovation and Opportunity Act (WIOA), the Every Student Succeeds Act, and the

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Stakeholders (continued)

Carl D. Perkins Career and Technical Education Act. The Task Force recommends that Congress evaluate the effects of existing pay-for-success provisions and incorporate pay-for-success language into other federal programs where appropriate.

Administrative Information

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