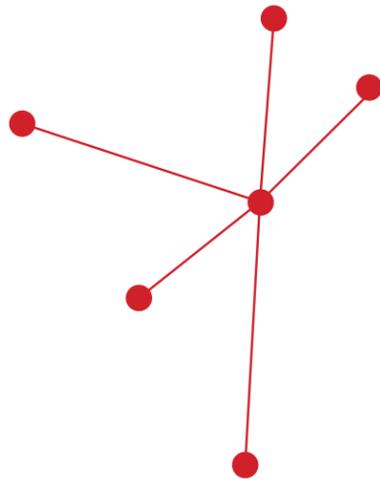




# *The Future of Work*

*Policy Proposals for the Modern Economy*



## A Letter from NewDEAL's Honorary Co-Chairs

Thirty years ago, we worked as partners to build Nextel, where we witnessed the incredible impact that breakthroughs in cellular technology had on the ways people communicate.

Today, the extraordinary changes brought about by companies like Nextel pale in the context of the larger economic transformation. A technological revolution, coupled with the impact of globalization, has revolutionized every industry and all aspects of our lives, creating extraordinary opportunities but also presenting new obstacles and producing inequalities in income and outcomes.

Most importantly, the future of work – how people earn their livelihood, provide for their families, and achieve economic security and dignity– has changed forever. In the midst of what feels like a constant stream of challenges facing today's elected officials, the changing nature of work must be our highest priority. It is at the root of many of our society's divisions, and is the source of anxieties plaguing so many hardworking Americans who feel uncertain about their job security, their kids' futures, and their ability to afford basic necessities like health care and a secure retirement.

In a nation of diverse communities, solving these challenges requires state and local leadership. But it is hard, if not impossible, for individual policymakers to research and create comprehensive policy agendas. They need workable ideas for what to do, tailored to their levels of government and areas of oversight.

And that is exactly what this report by the NewDEAL Forum is all about: providing state and local elected officials with a road map of practical steps they can take to help their constituents navigate the changing world of work. Many of the policy ideas presented come from NewDEAL's network of pro-growth progressive leaders, so they are proven to be both achievable and effective. Others come from partner organizations that work closely with government officials and are familiar with the realities of the policy and political landscapes.

These ideas are a powerful start, but they are just ideas. We urge state and local leaders of all parties and perspectives, in all places, to consider these and other ideas. The most important things officials can bring to this work are a sense of urgency and commitment to act – after all, the economy has already outgrown our existing systems, structures, and safety nets. We are leaving too many people behind. We must act like the success of our people and our nation depend upon adapting and modernizing – because it does.



*Mark R Warner*

U.S. Senator Mark Warner, Virginia  
NewDEAL Honorary Co-Chair



*Jack Markell*

Former Governor Jack Markell, Delaware  
NewDEAL Honorary Co-Chair

## A Note from the Working Group Co-Chairs

In an era of unprecedented change centered around technology, in our economy and our workforce, we are pleased to introduce the NewDEAL Forum Future of Work Policy Group's recommendations. Innovative state and local elected officials are uniquely positioned to offer thoughtful, creative, and impactful ideas that solve the most pressing issues facing the American people. We believe this document serves as a playbook for state and local leaders across the country because many of these policies have already been tested in our communities.

The policies outlined in this document seek to move beyond one-off programs to a more comprehensive means of addressing the challenges presented by the evolving economy. These policies also seek to help ensure that our families have access to a quality standard of living. They represent our group's initial recommendations on improving workforce training, modernizing the social safety net, and supporting entrepreneurship. We look forward to digging deeper into these issues as well as assisting in other efforts by the NewDEAL Forum to explore key topics not covered here that are also crucial to expanding opportunity to more Americans. Among the other critical challenges to deal with are: rebuilding our infrastructure, addressing student loan debt, and ensuring benefits are available and affordable for all workers.

We want to express our deep thanks to the elected officials (listed below) who have participated in the Future of Work Policy Group's work since our launch in March. We are especially indebted to **Maryland Delegate Andrew Platt, the group's founding co-chair** who conceived of this group and without whom this report would not have been possible.

Finally, we are grateful for the support of numerous partners that have offered their expertise and provided critical input on the policy recommendations, including: the Aspen Institute Future of Work Initiative, Third Way, the Center for American Progress, Jobs for the Future, the Markle Foundation, and the Institute for Justice.

We hope you will find the enclosed recommendations informative and useful in driving progress in your communities. In the coming months, we plan to build on this work by disseminating the recommendations broadly and providing implementation resources for leaders interested in pursuing these ideas. At a time of unprecedented changes in our economy, all elected leaders have a responsibility to act on the future of work if we are to restore the promise of the American Dream and give everyone the chance to reach their potential.



Amanda Edwards  
Councilmember, Houston, TX



Eric Lesser  
State Senator, Longmeadow, MA

### Contributing Elected Officials

Elizabeth Brown (City Councilmember, Columbus, OH)  
Chris Cabaldon (Mayor, West Sacramento, CA)  
Ryan Coonerty (County Supervisor, Santa Cruz, CA)  
Dan Drew (Mayor, Middletown, CT)  
Kerry Donovan (Senator, Vail, CO)  
Zach Klein (City Attorney, Columbus, OH)  
Brooke Lierman (Delegate, Baltimore, MD)  
Cristin McCarthy Vahey (Representative, Fairfield, CT)  
Lauren McLean (City Council President, Boise, ID)

Matt Meyer (County Executive, New Castle, DE)  
Andrew Platt (Delegate, Gaithersburg, MD)  
Tobias Read (State Treasurer, OR)  
Warwick Sabin (Representative, Little Rock)  
Libby Schaaf (Mayor, Oakland, CA)  
Jack Schnirman (County Comptroller, Nassau County, NY)  
Caroline Simmons (Representative, Stamford, CT)  
Troy Singleton (Senator, Moorestown, NJ)

## From Our Partners:

"I applaud the work of NewDEAL Leaders in developing these ideas addressing the changing nature of work. The way work and the economy are changing requires new policies to achieve broadly-shared economic prosperity. Policymakers at every level of government must find practical solutions to new challenges. The NewDEAL Forum has given state and local leaders across America a roadmap to do just that."

– *New Democrat Coalition Chair Congressman Jim Himes*



"As the workforce undergoes an upheaval akin to the industrial revolution, state and local leaders play a critical role in enabling all Americans to thrive in the 21st century. We need forward-looking policies that will support lifelong learning and drive a modern, skills-based labor market that meets the needs of today's workers, businesses, and educators."

– *Beth Cobert, CEO, Skillful: A Markle Initiative*



"This report from the NewDEAL Forum highlights the challenges and opportunities in our current economy and workforce which will only become more critical in the future. American families have changed dramatically over the past 70 years, and yet the country's workplace policies have not kept pace. Women and their families need comprehensive and innovative policy solutions to ensure their stability and economic security. Recommendations like comprehensive paid family and medical leave, expanding access to high-quality child care and preschool programs, meaningful apprenticeship programs, and improved access and affordability of contraceptives are vital to the success of working families now and into the future."

– *Shilpa Phadke, Vice President, Women's Initiative, Center for American Progress*



"At a time of rapid change in our economy, cross-sector partnerships are vital. K-12 and postsecondary education leaders, workforce and economic development leaders, policymakers, and employers must come together to create systems of quality pathways for young people that lead to rewarding careers. The education and workforce policies highlighted in the NewDEAL Forum's roadmap reflect some of our nation's leading approaches from states and communities for this work—including specific recommendations for implementing and scaling college and career pathways that meet the needs of our students today while also preparing them for the careers of tomorrow. State and local officials across the country will benefit from the guidance that the NewDEAL Forum's roadmap provides regarding integrating education and economic advancement, addressing the future of work. This roadmap can lead our state and local systems to better prepare students and workers for the jobs of the future while strengthening our nation's economy."

– *Amy Loyd, Associate Vice President, Jobs for the Future*



"State and local policymakers are developing creative solutions to address the challenges surrounding the future of work. As leaders look for policies to better support workers in a rapidly changing economy, the NewDEAL Forum's Future of Work Policy Group has developed promising ideas to help policymakers pilot new approaches and address these challenges in their communities."

– *Alastair Fitzpayne, Executive Director, Aspen Institute Future of Work Initiative*

"Nationwide, 62% of jobs don't pay enough to afford a middle class life. To address this opportunity crisis, policymakers need a robust agenda that focuses on the main economic experience of the American middle class: hard work is no longer enough to earn a good life. We applaud the NewDEAL Forum for their work and leadership on building modern solutions to expand opportunity to everyone."

– *Jim Kessler, Senior Vice President for Policy, Third Way*



## *Introduction & Global Context*

Two forces – globalization and technological advancement – are transforming our economy at an accelerating rate. Businesses have more choices than ever about where to locate, hire, and invest, and automation already threatens nearly half of all jobs. However, our public policies have not kept pace with these massive changes in the modern workplace.

Understanding and adapting to future of work is the greatest challenge for promoting economic opportunity and prosperity that is broadly shared and sustainable. Our nation's response to this economic transformation has implications for our continued competitiveness, and for the health, success, and vibrancy of our people.

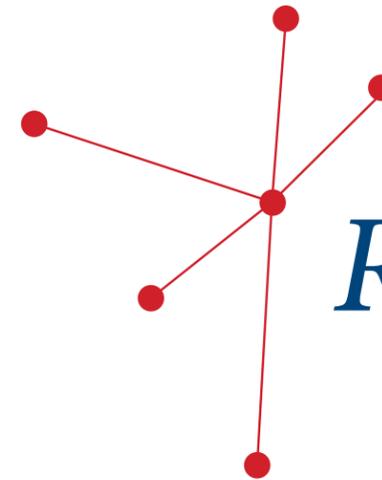
New jobs in dynamic industries are growing rapidly, but well-paying, secure careers are accessible only to those who have the knowledge and skills that businesses need, and who can fill roles that aren't easily automated or outsourced. Americans need 21st century skills, but also the resources to retrain, adapt, and innovate continuously to keep pace with the changing world economy.

Addressing education and training issues is not enough. Fewer jobs offer the level of benefits that was the norm in decades past, whether they are in traditional fields or in the gig economy. In some cases, workers have more flexibility, but these trends also pose severe risks. New initiatives are required to ensure workers have access to everything from healthcare to workers' compensation insurance to retirement savings plans. Challenges to a secure safety net are particularly acute for women, who disproportionately face obstacle ranging from primary responsibility for childrearing to unequal access to training opportunities. Policymakers should pay particular attention to leveling the playing field for women while ensuring their work is inclusive by promoting initiatives that break down barriers facing all traditionally disadvantaged groups.

In addition, innovation and entrepreneurship are generating an ever-expanding array of products and services, and the new jobs that go with them, but that activity is increasingly concentrated in too few places and barriers to business growth affect too many people. State and local policymakers must help by providing access to capital and networking opportunities, as well as by reducing regulatory barriers and coordinating services.

This report offers some context and background information, followed by specific policy recommendations, in three key areas to address these challenges: (1) increasing access to education and workforce training; (2) expanding the social safety net; and (3) supporting entrepreneurship and innovation. The special challenges faced by women – and the steps policymakers should take to address them – are a theme throughout each section. Appendices list examples of actual policies, programs, and proposals from individual states and localities.

This report, and the recommendations within it, are meant to provide a practical agenda for state and local leaders who are committed to embracing economic progress and addressing the challenges that come with it. While not an exhaustive list of policy options, these recommendations, along with the specific ways to implement them listed in the appendices, are a roadmap to a future in which everyone can take advantage of the opportunities of our new economy, and no one gets left behind.



# *Recommendations*

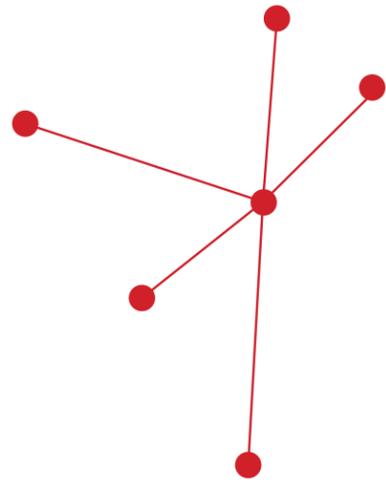
## *Policies & Proposals*

*Section 1: Skill Development & Workforce Training*

*Section 2: Modernizing the Social Safety Net*

*Section 3: Supporting Entrepreneurship, Innovation,  
& Access to Capital*

*Appendices: Examples from the States*

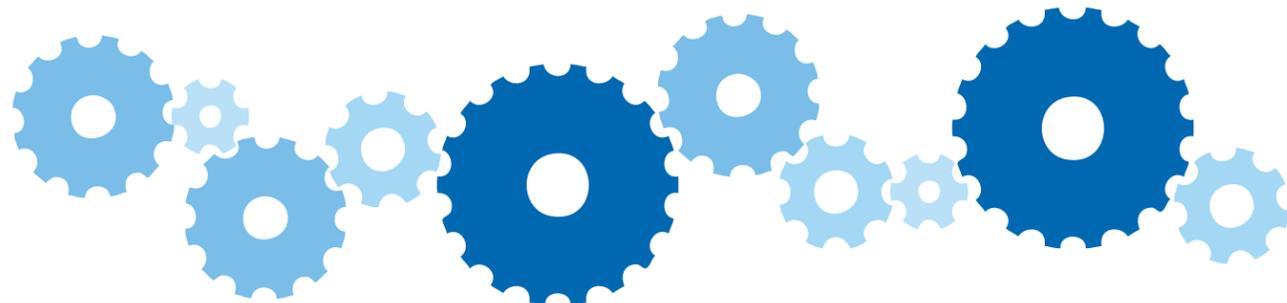


## Section 1:

# Skill Development & Workforce Training

The right skills for our economy keep evolving, college completion rates remain low, and quality apprenticeships and other job-specific training opportunities remain too few. In order to support sustained living for American families, we must better prepare our citizens with the skills employers need now and also provide access to lifelong learning opportunities, including avenues that are less costly and time intensive than traditional higher education but still allow workers to adapt, retool, and retrain.

- The [World Economic Forum](#) found that by 2020, more than one-third of the core skill sets of most occupations will be skills that are not crucial to today's workforce.
- In 2002, 56% of jobs required low amounts of digital skills and just 5% required high digital skills. [A lot has changed](#): by 2016, the share of jobs requiring high digital skills had jumped to 23% and the jobs requiring low digital skills fell to 30%.
- In a [recent Accenture survey](#), 74% of executives say they plan to use artificial intelligence to automate tasks in their workplace in the next three years, yet only 3% intend to increase significantly investments in training in the same time period.
- Only 6% of American high school students were enrolled in a vocational course of study, according to a [2013 U.S. Department of Education report](#); that is compared to 42% on the vocational track in the United Kingdom, 59% in Germany, and 6% in the Netherlands.
- Automation has a disproportionately high impact on minorities, as reported by the [Joint Center for Political and Economic Studies](#). Almost a quarter of African-American workers are concentrated in just 20 occupations that are at high risk of automation, such as cashiers, retail salespersons, cooks, and security guards.



## Policy Goals

- School districts and institutions of higher education must provide better access to a range of pipelines for entering the workforce, including opportunities to earn college credit, industry credentials, and workplace experience while in high school.
- Unemployed and underemployed workers – including new/young and experienced/older workers – must have better access to higher-skilled jobs.
- Policymakers must engage employers in developing effective education and training opportunities and rethinking traditional hiring approaches to include retrained workers.
- State workforce development systems should support lifelong learning, specifically ongoing skill development and training.
- Quality workforce training opportunities must be available to traditionally disadvantaged communities.
- In all of their workforce development efforts, policymakers should be mindful of removing non-skill barriers to workforce participation faced by certain populations (i.e. veterans transitioning back into civilian life, people with disabilities, and formerly incarcerated people).

## Policy Recommendations

### Apprenticeships

Supporting apprenticeship programs is an important way that government can help provide workers with intensive, individualized training and the opportunity to earn nationally-recognized industry credentials in growing, middle-skill fields. Key strategies for expanding and supporting apprenticeships include:

- **Increasing apprenticeship opportunities and on-ramps** in high-skill, high-growth industries – particularly for under-represented populations – by aligning education, workforce development, and employer-based training systems
- **Expanding apprenticeship opportunities to serve adult learners** in addition to students
- **Encouraging the engagement and expansion of intermediaries** (like industry associations, colleges, and workforce boards) to support industry in developing new programs
- **Defining apprenticeships** as rigorous, high-quality opportunities, which adhere to standards on wages and are otherwise consistent with federal regulations for registered apprenticeships (U.S. Dept. of Labor 29.29)
- Ensuring apprenticeships create **on-the-job learning opportunities**, mentoring, and related training
- **Involving employers** deeply at every stage of the process in expanding apprenticeships
- **Offering rewards for skill gains**, including nationally-recognized occupation credentials and transferable, stackable competencies

### Women & Equal Access to Training & Apprenticeship Programs

Women do not have the same access as men to participate in education and training programs, particularly workplace experience and apprenticeship programs that would advance their skills and careers in high-demand fields like advanced manufacturing and skilled trades. Women of color are especially under-represented in apprenticeship programs that can lead to jobs in these areas and experience lower wages than other apprentices. Key strategies to improve access for women are:

- Supporting equity intermediaries that help recruit women and coordinate supportive services such as child care, transportation, and legal assistance.
- Expanding apprenticeships into new industries — not just the trades — while working to raise the wages in those industries. For example, child care and hospitality apprenticeships are popular among women, yet both industries are plagued by persistently low wages.
- Find more detail on this issue [from the Center for American Progress](#)

In Chicago, apprenticeships are changing lives — young people who were previously working two or more jobs to make ends meet now have the means to support themselves and contribute to their companies and the economy in a meaningful way.

—Cook County Commissioner  
Bridget Gainer

### Employer-Led Training

As [studies show](#), businesses tend to provide more training to workers who already have high educational attainment and higher earnings. Thus, states should address the decline in employer-provided worker training by providing business tax credits (or other similar incentives) to offset a portion of the cost of new training activities for middle and low-wage workers. Key policy elements include:

- **Creating financial incentives, like tax credits, for businesses' costs associated with investing in new training** activities for existing workers. Incentives would mirror those for research and development, which are effective and popular at the state and federal levels
- **Designing policy to focus on lower income workers** (to save money and advance equity) by providing incentives for training workers under a certain salary cap
  - › Note: [A European Union study](#) found that these policies encouraged job training and required less administrative overhead than government training programs
- **Encouraging skills-based hiring** in public and private sectors
  - › Set example in the public sector by implementing skill-based hiring practices in government
  - › Establish business intermediaries that can create competency models to help companies identify skills needed for various jobs

### College and Career Pathways

States and localities – working with school districts, institutions of higher education, and employers – should create pathways for students in grades 9-14 that combine rigorous academics, workplace learning, and progress toward post-secondary degrees and/or industry credentials. Key policy elements include:

- **Setting long-term goals** for degree and credential attainment that align with predicted employer needs and future job profiles; success should be measured by tracking the percentage of graduates of degree and credential programs who get jobs in related, or otherwise growing, fields
- **Establishing a cross-sector partnership** to connect and align secondary and postsecondary education entities, employers, labor, and community organizations to develop college and career pathways in growing areas of the economy
- **Selecting an “intermediary” organization** to convene and coordinate collaboration across sectors and drive growth and development of pathways, while ensuring alignment of cabinet agencies and workforce boards
- **Convening employers within and across industries to do skill mapping** that helps the education system and students/workers understand the training most likely to lead to success in the workplace
- **Creating a permanent oversight committee** of state/local officials and senior leaders from each sector to ensure continued alignment and buy-in
- **Identifying/creating funding streams** for maintenance and growth of pathways, including federal funds from:
  - › The Workforce Innovation and Opportunity Act (WIOA), including 15% of funds set aside for states to use or to be returned to the federal government
  - › The Every Student Succeeds Act (ESSA), which has large funding formulas that could be leveraged for pathways-related work, including a new Title IV funding stream that calls for providing a “well-rounded education” and can pay for activities related to pathways, as well as college and career counseling
  - › The Perkins Act, which provides for a CTE State Leadership Fund through which states can spend up to 10% of their allotments for state leadership activities, allowing for flexibility to leverage pathways-related work
  - › SNAP Employment and Training (E&T)
  - › Temporary Assistance for Needy Families (TANF)
- **Expanding dual-enrollment opportunities** through strong relationships with institutions of higher education that offer all students the chance to earn college credit for high school classes aligned with their pathways
- **Overseeing system-wide articulation agreements** between institutions of higher education and school districts so students can earn college credit for dual-enrollment courses
- **Building a network of employers willing to offer training and work experience opportunities**, potentially including guaranteed employment after pathway completion
- **Outlining what students should know about college and careers** each year from 8th to 12th grade
- **Establishing a voluntary system for school districts to award college and career pathways endorsements on high school diplomas**, with the endorsements recognized by industry

## Higher Education Access

State and local leaders should advance policies to increase the number of students applying to, attending, and completing post-secondary degrees and credentials, and to ensure no one is denied access to college because of an inability to pay. Key strategies include:

- **Providing students with sufficient counseling and other support to prepare for, apply to, and enroll in traditional college or other post-secondary programs**, even if they lack assistance from family and friends
  - ▶ Offer universal free SAT or ACT for high school students
  - ▶ Provide time for all high school seniors to write application essays and complete college applications during school hours
  - ▶ Help students complete FASFA applications so they can receive federal aid
- **Identifying students from underserved backgrounds who are at risk of undermatching** (i.e. high-achieving students from low-income families who are unlikely to apply to a selective college or university even though they would be likely to thrive there), and provide them with the necessary tools and support to go to college
- **Enrolling high school students in the local community college automatically** with the option to opt-out, rather than the requirement to opt in
- **Addressing the cost barriers** that prevent some Americans from accessing community college through **reduced/no tuition initiatives and scholarship programs**
- **Partnering with local community colleges to increase full-time, degree-focused attendance**, which is the most likely to result in students obtaining a degree or certification
  - ▶ Provide students with the supports they need to be successful in a full-time degree program (i.e. tutoring and [child care](#))
- **Using publicly-facing data systems**, like those established in Ohio and Colorado, **to help students make better decisions about what careers to pursue** and what institutions/degree programs are the most cost-effective ways to attain necessary skills
- **Investing in longitudinal data systems** and creating links to state IRS/unemployment data bases to facilitate a way to measure success of training programs by employment outcomes and wage gains.
- **Tracking outcomes of training programs within and outside of community colleges** so that policymakers and workers can better understand which programs generate measurable outcomes in terms of employment, wage gains, and other indicators.
  - ▶ Public data platforms can help people make good decisions about what training to pursue.
  - ▶ Use mechanisms like an Eligible Training Provider List (ETPL), which allows states to certify which training providers can receive Federal WIOA funds based on outcomes

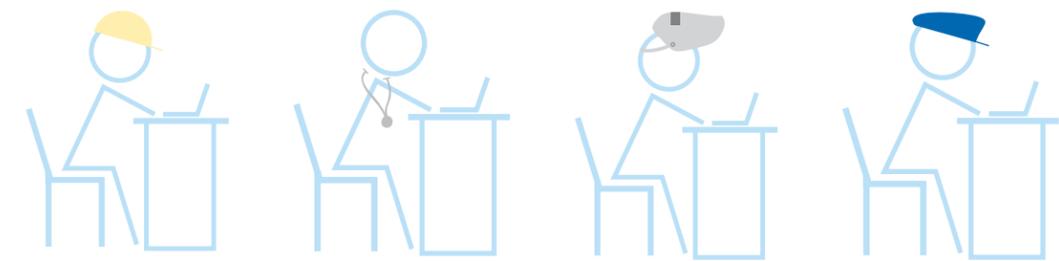
“Having a postsecondary degree or credential is essential to achieving a higher quality of life and long-term career security.”

—West Sacramento Mayor  
Chris Cabaldon

## Employee-led Retraining & Lifelong Learning

Policymakers should expand access to ongoing training by facilitating access to short-term training programs, and offering accounts that help fund participation in training programs. Key policy elements include:

- **Creating savings accounts** that workers can use to pay for education and training, funded by employee/employer/government contributions, and fully portable; account maximums should be set so as to encourage workers to retrain frequently, which will also help emphasize community college and short-term training programs
- **Offering or coordinating with community colleges and other training partners on short-term, just-in-time skill development programs** focused on competitive, growing industries with worker shortages, and negotiating placements for workers who complete training programs
- **Providing financial aid** for lower-income students to pursue non-credit community college courses and certificates for competitive industries that face workforce shortages



*To see example policies from states around the nation related to these skills & training recommendations, please see Appendix 1*



## Section 2:

# Modernizing the Social Safety Net

Most full-time workers have traditionally received healthcare, retirement, and other crucial benefits through their employers. But for the millions of workers serving as independent contractors, switching jobs frequently, and otherwise working in ways that don't look like traditional employment, the existing benefit structures aren't sufficient. In addition, traditional employees are less likely to receive benefits from their employers. These trends require a new movement to empower all types of workers to take advantage of the opportunities of the new economy.

- About 40% of independent workers have access to employer-provided health insurance, compared with 89% of full-time traditional employees.
- According to census data, from 1979 to 2018, access to employer-provided retirement coverage has declined from over half of workers to 42%, and access to health insurance coverage has declined from 70% to just over half.

## Policy Goals

- Policymakers must make benefits more available and more portable so that workers can take them from job to job and can access them outside of W2 employment.
- Government must both incentivize and support retirement savings outside of the traditional pension/401k system.
- State and local leaders must play a central role in providing/ensuring workers' access to benefits and not wait for the federal government to act.

### Women & the Modern Safety Net

As we noted in the introduction, the changing nature of work is creating special opportunities and challenges for women. Social safety net policies should prioritize their needs with these policy goals:

- Women should be able to have children without suffering a setback in their financial situation or career trajectory – state and local governments should adapt their safety net policies to ensure equitable opportunities for women with children to advance in the workplace
- Women, and other primary caregivers, should not have to forgo career opportunities to care for their children or other dependents

## Policy Recommendations

### Portable Benefits

Given the low rates at which independent contractors and non-traditional workers receive benefits, state and local policymakers must provide both the mechanism and funding to make benefits available for these workers. Key policy elements include:

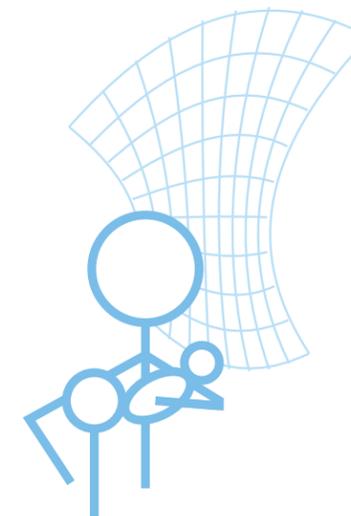
- **Establishing an entity** (governed by the state or by an authorized non-profit) to provide benefits outside of the traditional employment relationship
- **Ensuring benefits include workers compensation**, at a minimum, and then using remaining funds to give workers **flexibility to choose from a range of the additional benefits** through already-established qualified providers
- **Funding benefits primarily through payments by contracting entities** (including online platforms and other entities that heavily rely on contractors) or by user fees – not (predominantly) by contributions from workers
  - See appendix for tips on defining contracting entities
- **Defining clearly the workers to whom the benefits apply** and the implications of policies for worker classification decisions under state law
- **Supplementing benefits funds with government resources and/or programs**, if necessary, to make health insurance, paid time off, and/or retirement savings available to all eligible workers

### Women & Paid Family Leave

Eighty-four percent of civilian workers do not have access to comprehensive paid family leave—which could allow them to keep their job and provide care for their loved ones. This challenge is particularly difficult for the 42 percent of mothers who are the sole or primary breadwinners in their families.

State and local policymakers should aim to provide universal access to paid family leave so that all parents and caregivers, especially women, are not forced to choose between providing important care for people they love and keeping the job they need to support their families, especially among the 90+ percent of low-wage workers who do not have access to this benefit. Key elements of paid family leave include:

- Providing paid parental leave available at the birth or adoption of a child (recommend 12 weeks)
- Basing benefits on income, but allowing a cap
- Making leave available to all caregivers, including men and women, and full- and part-time workers
- Including contributions by employers to covering the cost of leave (while recognizing that employees may also be required to contribute), such as through a payroll tax



## Unemployment Insurance Flexibility and Expansion

State and local leaders should adopt policies to make unemployment insurance available to non-traditional workers and remove requirements that penalize non-traditional work. Key policy elements include:

- **Allowing independent contractors with steady earnings to opt into state UI plans**
- **Reforming state-defined eligibility calculations** that discourage/penalize non-traditional work:
  - › Adopt alternative base periods and remove waiting weeks for benefits
  - › Allow recipients to seek part-time work
  - › Encourage workforce boards/job centers to train recipients for – and connect them to – non-traditional work opportunities
- **Creating a job-seekers’ allowance** for low-middle income independent contractors, new labor market entrants, and other workers ineligible for traditional UI
- **Reimagining UI as a tool to help retrain workers** by offering eligible unemployed workers benefits like the following:
  - › Training grants for certified short-term programs for in-demand occupations
  - › Moving vouchers to help defray the cost of relocating to pursue better jobs
  - › Bonuses if workers land a new job before income support expires



“New technology has yielded a modern economy that allows greater flexibility for independent contractors, but because many of their jobs do not come with health insurance, retirement plans or paid leave, these workers are more vulnerable than many of their counterparts in the traditional workforce. The way that people work may be transforming, but the notion that all workers deserve to be treated with respect and should have access to benefits that will foster their long-term well-being has not changed.”

–New Jersey Senator Troy Singleton

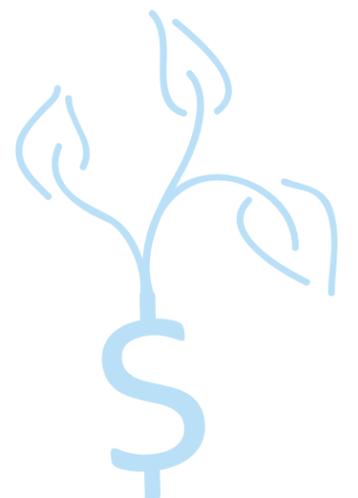
## Universal Contribution Accounts for Retirement

To promote more robust retirement savings for all workers, officials should adopt policies that create automatic retirement contribution accounts for employees not currently covered under an employer retirement plan. Key policy elements include:

- **Requiring employers to provide a retirement savings option or facilitate employee enrollment in a state plan** (tax-deferred plans with multiple investment options)
- **Enrolling employees automatically**, but allowing them to opt out
- **Ensuring employee contributions are portable between jobs** and fully vested immediately
- **Making participation open to independent contractors** as well as traditional employees
- **Advocating a change to federal law to allow state/local governments and employers to contribute to accounts** (federal law must exempt state/local governments and employers from fiduciary responsibilities under ERISA when they contribute to these savings options); under such a change, states and municipalities could:
  - › Contribute matching funds up to a certain amount or one-time/regular contributions of a fixed amount
  - › Means test contributions
  - › Use tax breaks to incentivize or require contributions to accounts from employers who are not otherwise contributing to their employees’ retirement

“A state-based retirement savings option for people who don’t have access to one through their employer is the right answer at the right time. It is helping more Oregonians to do the right thing by saving for a better future. Our OregonSaves program also helps employers to be more competitive and retain workers, and it will improve the overall economic health of our state in the long run.”

–Oregon Treasurer Tobias Read



## Expanding the Earned Income Tax Credit

The federal Earned Income Tax Credit provides a refundable tax credit to lower-income working families and can be an effective tool for moving people out of poverty. [No other tax or transfer program](#) prevents more children from living in poverty, and only Social Security keeps more people above the poverty line. States should provide additional support for working families by supplementing the federal credit. Key elements of expansion include:

- Providing Americans who receive the federal Earned Income Tax Credit each year with an **additional benefit based on their federal credit amount**
- Targeting relief for working families through **tax credits that incentivize work**, contingent on earned income like salary and wages
- **Making credits refundable** so that families still benefit if the credit exceeds their state tax liability

## Women & Childcare

Childcare responsibilities continue to fall disproportionately on women while high-quality childcare is prohibitively expensive to the extent that many mothers quit their job, work fewer hours, or choose not to enter the workforce because it is “cheaper” than childcare alternatives. In addition, a [Center for American Progress report](#) found more than half of the population across 22 states studied — 51 percent — live in neighborhoods classified as child care deserts. These are neighborhoods or communities that are either lacking any child care options or have so few child care providers that there are more than three children for every licensed child care slot. Fifty-eight percent of rural tracts in these states qualify.

To address the challenge of availability and affordability of high-quality options, state and local governments should subsidize the cost of childcare. Key strategies include:

- Providing tuition subsidies for high-quality childcare options
  - › Subsidies may be means-tested, and available in higher amounts to lower income families
- Linking the level of subsidies to the quality of care (measured by early childhood quality rating systems if available), with higher subsidies available to providers that meet benchmarks and invest in quality of care
- Instituting universal pre-kindergarten programs
- Considering child care infrastructure for areas lacking options in state capital plans.
- Advocating for the federal government to specifically invest in child care and early education infrastructure just as it invests in public safety, public parks, and public schools
- Understanding cultural preferences of racial and ethnic groups and families in states with child care deserts, so that policy solutions can adequately meet the needs of diverse families

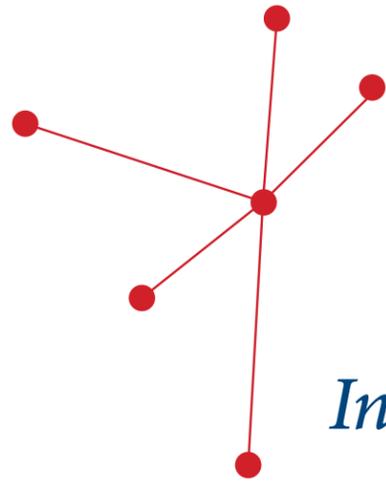
## Women & Reducing Unplanned Pregnancies

An unplanned pregnancy can interfere with a woman’s educational and career plans and lead to a wide variety of negative health and economic outcomes for her, the baby, and her family. The United States has one of the highest unplanned pregnancy rates among developed countries; in 2011, nearly half of all pregnancies were unintended, and rates were even higher among young women of color. Access to reliable contraceptives is therefore a vital tool to help reduce unintended pregnancies as well as plan for safe, healthy pregnancies and children. However, contraceptives – including the most effective forms, which are long-acting reversible contraceptives (LARCs) such as implants and Intrauterine Devices (IUDs) – are not always accessible due to financial and logistical barriers.

Key strategies to improve women’s control over their fertility by providing better access to the full range of contraceptive options, including the safest, longest lasting, and error-free forms of birth control include:

- Providing women with free, same-day access to all methods of birth control, including the most effective methods, at low or no cost.
  - › Ensuring that if a woman requests an IUD while in her doctor’s office, or in the hospital after childbirth, it can be provided that same day, without requiring another visit.
  - › As demonstrated by a [public-private partnership in Delaware](#), when women are provided with same-day access to contraceptives, including IUDs and implants, their uptake of contraceptives increases and, consequently, rates of unintended pregnancies can fall dramatically.
- Filing Section 1115 Medicaid demonstration waivers and ensuring Medicaid covers the cost of same-day access to LARCs
- Exploring tele-health counseling options, providing reimbursement for LARCs, and employing new device stocking strategies.
- Launching an awareness campaign so women know where to access family planning services and what low or no cost birth control options are available to them for free or low cost.

*To see example policies from states around the nation related to these safety net recommendations, please see Appendix 2*

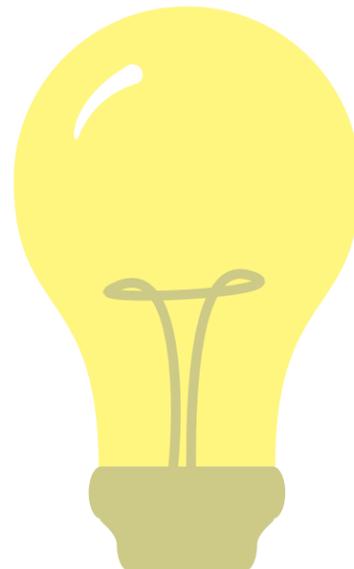


## Section 3:

# Supporting Entrepreneurship, Innovation, and Access to Capital

As the manner, structure, and content of work is changing to reflect our globalizing and automating economy, so must the policies that support innovation and entrepreneurship. More specifically, policymakers must: (1) encourage businesses to grow and create jobs in the new economy, particularly outside of the relatively few areas where capital and new business activity have been concentrated since the Great Recession; (2) modernize laws and regulations that govern employers and employees to ensure that they don't unnecessarily hinder progress; and (3) address inequities in access to funding and in overburdensome licensing requirements as part of reversing the drop in small business operation and startup rates.

- While new businesses play an outsized role in job creation in the U.S. economy, bank lending to large businesses has surged to new highs during the recovery, but [lending to small businesses has failed to grow in proportion and has taken much longer to return to pre-recession levels](#).
- Reflecting the need for a close review of occupational licensing to ensure requirements are geared toward protecting the public rather than powerful interests, one estimate finds that government licensing means [2.85 million fewer jobs and costs consumers an additional \\$203 billion each year](#). The [Mercatus Center](#) has reported that occupational licensing disparately affects ethnic minorities and other specific populations.
- Nearly 80% of the investments made by VC firms in 2015 were made in [just four metropolitan areas](#): San Francisco, Los Angeles, New York, and Boston.
  - ▶ In 2,100 of 3,100 counties across the country, the number of businesses in operation actually fell by 200,000 from 2005 to 2015, according to [Census Bureau figures analyzed by Third Way](#).
  - ▶ [Third Way's analysis of Census data](#) also found that of the 3,497 startups surveyed that received VC funding in 2014, just 78 were black-owned, 210 were Hispanic-owned, and 458 were female-owned.



## Policy Goals

- At a time when businesses and workers must be nimble and adaptive, government must likewise update requirements to reflect modern realities. More specifically, we should strive to update permitting, licensing, and other regulations to make it easier to start and maintain a new business.
- Government must do more than just update requirements; rather it should be an active partner in helping employers thrive, most importantly by helping them get access to a trained workforce and to the capital and resources they need to succeed.
- Policymakers must acknowledge the value of small and medium-sized businesses, recognizing that communities with more of these successful enterprises are better positioned for success than those that rely on one large company.
- Workers deserve access to a wide range of employment opportunities, and entrepreneurs should have every reasonable opportunity to start a business without unnecessarily onerous requirements.
- Employers should inform efforts to support entrepreneurship and innovation in an ongoing and meaningful way.

## Policy Recommendations

### Encouraging Entrepreneurship

#### *Waive state licensing and permitting costs:*

State and local policymakers should spur growth in key industries by reducing startup costs. Key policy elements include:

- **Providing reimbursements for state licensing and permitting costs** to first-time entrepreneurs in fields with high growth and job-creation potential
  - ▶ Funding can be capped to provide certainty in the state or local budget

#### *Improve access to capital for small businesses:*

Recognizing that access to capital is one of the primary barriers facing innovators and entrepreneurs, policymakers should partner with local lenders to ensure loans are available for people with good ideas. Key policy elements include:

- Using some of the millions of dollars state agencies hold in cash to **make deposits to local community banks and credit unions** as an incentive for small business lending
- Making participating lending institutions eligible to receive a **cash deposit equal to the amount of each small business loan** the institution makes
  - ▶ Loans may be **targeted or prioritized**, for example, to small businesses and companies owned by women, minorities, or first-time entrepreneurs





## Equal Access to Jobs & Career Fields

### *Overhaul licensing and certification requirements:*

Many state licensing and certification requirements unnecessarily restrict professional access and advancement, often serving as anti-competitive practices that protect existing industry participants rather than tools to promote public well-being. In light of this, and the changing nature of how workers engage in many professions, governments should modernize and eliminate barriers to entry that are not essential for consumer protection and improved service quality. More information is available [from the Institute for Justice](#). Key policy elements include:

- Conducting a **comprehensive review of state licensure/certification requirements** across regulated professions (consider industry-by-industry review if easier to implement)
- **Repealing licensing requirements that are outdated and/or are not supported by empirical evidence that they are necessary to protect the public**, and requiring evidence of actual harm to consumers before the enactment of licensure requirements
  - ▶ Search for the least restrictive response to problems in a field when enacting licensing requirements
  - ▶ Seek out alternatives to licensing to meet objectives of protecting the public
- **Enacting sunrise reviews of proposed new licenses, as well as periodic reviews of licensing requirements**, including sunset provisions that will repeal licensing requirements without renewed evidence for their need
- **Supervising licensing boards** – either through existing lawmaking bodies or executive agencies, or by creating a new oversight group – to limit anti-competitive behavior and ensure that licensing laws are updated regularly to reflect changes in the economy

“In Connecticut, we listened to small business owners from around the state about the need to cut red tape and create more pathways to career opportunities and jobs. By removing burdensome and unnecessary fees and other requirements, we have eliminated barriers to employment while maintaining safety and professional standards.”

—Connecticut Senate Majority Leader  
Bob Duff

## Growing Rural Economies

### *Support Economic Development Efforts:*

State and local governments should provide monetary and non-monetary support for economic development in rural areas. Key policy elements include:

- Establishing a fund, renewed annually, to **support economic development in rural communities**
- Introducing **tax incentives that subsidize salaries** – up to a certain level – for companies that hire in distressed rural areas
  - ▶ Incentives should focus on jobs that can provide a large-scale infusion of work into distressed rural communities with an abundance of low-skill workers
  - ▶ Examples include call centers, [which have begun returning to rural America](#), and “back office” work that, in conjunction with rural broadband investments, can often be done remotely, away from a central hub of a company’s activity that may already be rooted elsewhere. Stable jobs of this type can provide security for workers who need time to update their skills for higher-paying careers
- **Coordinating non-monetary assistance and awarding grant money** to small towns that often do not have the resources to search for and coordinate the many state and federal programs that may be able to help them solve problems
- **Prioritizing those areas that have experienced significant economic events**, like plant closures or layoffs
- **Introducing place-based incentives**, including subsidizing moving and business expenses, for people to move to and work remotely from rural areas, which would increase economic activity in those communities
- Maximizing growth in rural opportunity zones

### *Universal Broadband Access:*

Recognizing that cell phone and broadband service is essential for workers to obtain jobs, work remotely, and advance their careers in the new economy, yet many rural areas, as well as urban broadband deserts and other distressed communities, lack adequate access, government should support expansion of services to cover all areas. Key policy elements include:

- Seeking opportunities to **transfer outdated grant funds to expand broadband infrastructure** in rural areas, as well as all broadband deserts in urban and other communities
- Ensuring states **maximize federal funds** available for broadband use

“High-speed internet isn’t a luxury. We know that Colorado is better when rural communities thrive. Whether it’s giving a kid a leg up in their classroom, or helping an entrepreneur create jobs in rural Colorado, fast and reliable broadband is a necessity.”

—Colorado Senator Kerry Donovan

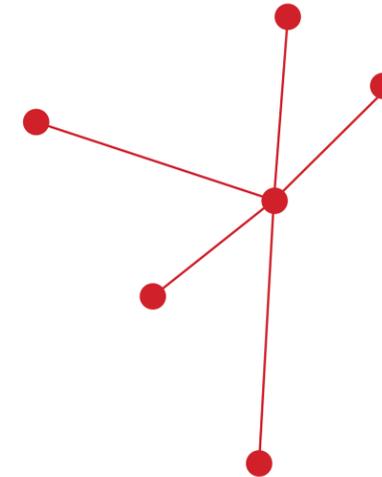
## Employer Input

### *Establish an Employer Advisory Group:*

To ensure governments hear perspective of business leaders who are dealing with the changing economy in real time, policymakers should convene a group of employer partners to inform (1) regulatory updates that eliminate red tape and modernize rules to reflect the new economy and (2) ways to support start-up and expansion of new, innovative businesses. Key policy elements include:

- **Recruiting senior business leaders** (CEO level, if possible, but definitely those able to make commitments on behalf of the company) to serve on an advisory group
- Meeting regularly but infrequently (2-4 times per year) to respect time but keep members engaged
- **Acting as a convener** of community groups, businesses, colleges and universities, think tanks, civil rights organizations, and others, including with government, to identify opportunities for collaboration
  - › **Includes convening businesses within and across sectors with education and training leaders to work on skill mapping**, which can help prioritize public workforce training efforts and be shared publicly to inform workers of the skills they need for specific careers
- **Catalyzing government support for public-private partnerships** that spur research, development, and innovation (i.e. businesses partnering with universities on research or the establishment of business incubators)
- **Working to deliver on government commitments to support businesses**, but also asking for commitments in return (i.e. accepting interns and sharing training practices with other industry leaders)
- **Being as transparent as possible in policymaking**, including by sharing plans and proposed changes before they happen, asking for and incorporating input, and respecting the advice of group members
- **Celebrating successes jointly** with committee members and government officials

*To see example policies from states around the nation related to these entrepreneurship, innovation, and access to capital recommendations, please see the appendices at the end*



# Appendices

## *Example Policies & Proposals*

*Appendix 1: Skill Development & Workforce Training*

*Appendix 2: Modernizing the Social Safety Net*

*Appendix 3: Supporting Entrepreneurship, Innovation,  
& Access to Capital*

## Appendix 1:

# Skill Development & Workforce Training

### Apprenticeships:

#### Illinois – Effective Apprenticeship Model – Cook County Commissioner Bridget Gainer:

- Commissioner Gainer launched an initiative to support employers who create and run an apprenticeship program registered with the U.S. Department of Labor, including in non-traditional growth areas like services and technology fields
- Develop sales pitch to business community: Opportunity to develop someone who is starting with fewer skills, but who is more likely to stay with your company long-term
- Model underway at insurance companies partnering with community colleges:
  - ▶ 20-30 hours/week at company; 10-15 hours/week at school
  - ▶ Full wage provided and tuition covered for two years to complete certifications
  - ▶ Diversifying workforce in participating companies

### Employer-Led Training:

*Note: A [European Union study](#) found that these policies encouraged job training and required less administrative overhead than government training programs*

#### Senator Warner/Aspen Proposal – Worker Training Tax Credit:

- Businesses would get a tax credit worth 20% of the difference between their annual qualified training expenditures and the base expenditure level (to avoid funding training that companies are already doing)
- Credit would only cover training for non-highly compensated workers (less than \$120,000 per year), the standard currently used in the Internal Revenue Code
- Mirrors design of the popular federal R&D tax credit
- Special incentives for small businesses to take advantage of the credit

#### State and International Examples:

- Connecticut, Georgia, Kentucky, Mississippi, Rhode Island, and Virginia provide businesses with tax incentives for training investments, ranging from 5% to 50% of training expenses
- Austria provides a 120% business deduction for training expenses, as well as a 6% credit for companies that aren't profitable enough to benefit from the deduction; France provides a business credit for entrepreneurs equal to the number of training hours multiplied by the minimum wage

*Related Federal Legislation:* The Investing in American Workers Act – Senators Mark Warner, Bob Casey, and Debbie Stabenow:

- Legislation encourages high-quality training programs by:
  - ▶ Establishing a tax credit for employers who increase their spending on training lower- and moderate-income workers; the credit would be equal to 20% of the increased spending on qualified training beyond the average spent over the previous three years.
  - ▶ Incentivizing high-quality training by specifying a wide range of allowable providers and programs, including training provided through apprenticeship programs, community colleges, accredited career and technical schools or labor organizations
  - ▶ Encouraging small businesses to upskill their workers by providing a simplified filing process and allowing them to apply the credit against payroll and alternative minimum taxes

### College and Career Pathways:

#### Delaware – Goal Setting and Pathways to Prosperity:

- Delaware's Challenge: By 2020, 65% of jobs – especially in high-demand STEM fields – will require postsecondary credentials, but less than half of students have them
- Delaware Promise: By 2025, 65% of Delaware's workforce will earn a post-secondary degree, industry credential, or professional certificate
- Pathways Approach:
  - ▶ Aligning classroom instruction and work-based learning experiences in high-demand professional fields, allowing students to enroll concurrently in career-related high school courses and at an institution of higher education to earn certifications recognized by employers and credits towards a college degree
  - ▶ Permanent statewide steering committee oversees program expansion and includes representation from all relevant cabinet agencies and the Governor's office, as well as from higher education, the business community, and non-profits/foundations
  - ▶ Intermediary organization (Delaware Technical Community College) oversees collaboration across sectors, including with the Departments of Education, Labor, Economic Development; private-sector employers; and non-profit and community organizations

#### Colorado – Intermediary overseeing development of pathways and cross-sector collaboration:

- [Skillful](#) (a partnership led by the Markle Foundation) integrates businesses, state government, non-profits, and educators, using data and technology tools to:
  - ▶ Provide transparency around the value of educational and training programs
  - ▶ Give educators a clearer picture of which skills are in demand in their area
  - ▶ Give businesses a better sense of which skills are available in their applicant pool.

## College and Career Pathways, continued:

### Illinois – Postsecondary and Workforce Readiness Act (PWR):

Takes a student-based and competency-based approach to helping students achieve college and career readiness by:

- Requiring that education agencies adopt a framework that outlines what students should know about college and career each year from 8th to 12th grade, addressing: career exploration and development; college exploration and preparation; and financial literacy
- Establishing a voluntary system for school districts to award college and career pathways endorsements on high school diplomas, aligned to instruction and professional learning experiences in a selected career interest area.
  - ▶ The endorsement incentivizes career exploration in high-demand career fields.
  - ▶ Endorsements require an individualized learning plan, career-focused instruction, career exploration activities and 60 hours of internships or similar experiences.
  - ▶ State agencies coordinate with employers in prioritized areas for state economic development to identify minimum career competencies.
- Addressing the high need for remedial math among students after high school by evaluating math proficiency during junior year, with students who don't pass choosing from transitional math courses for 12th grade that correspond to the student's career pathway of interest (i.e. STEM Transitional Math, Technical Math, or Quantitative/Literacy Stats)
- Establishing a pilot program for voluntary school district participation in moving from “seat-time” graduation requirements to competency based graduation requirements

### Related Federal Legislation: Working on Rewarding and Keeping Employees Resilient (WORKER) Act (Rep. Tim Ryan)

- Creates grant programs to support engineering and engineering technology education programs in elementary and secondary schools
- Expands apprenticeships by promoting public-private partnerships
- Creates reemployment bonus for individuals currently receiving unemployment benefits
- Establishes wage insurance for individuals 50 and over (45 and over for economically distressed communities)
- Creates a training voucher for \$8,000 to ensure every American can attend a short-term training program to receive the skills necessary to succeed

## Higher Education Access:

### West Sacramento – Kids’ Home Run initiative – Mayor Chris Cabaldon:

- All West Sacramento graduating seniors are eligible for up to one year of fee-free tuition at a local City College campus
- Launching in fall of 2019, graduating seniors will be eligible for a points-based scholarship of up to \$1,000 for college-related expenses
- Potential expansion: Auto-enroll all graduating seniors in community college with the option to opt-out to make continuing education beyond high school as much of an expectation (and as automatic and seamless) as the K-12 experience

### Indiana – Workforce Ready Grant:

- Offers free community college to those students who want a certificate in a key industry; while certificates vary by program, they typically take anywhere from 18 to 34 credit hours to complete or at most one year for a full-time student
- Promote high-demand fields like: automation and robotics technology, medical office administration, supply chain management logistics, certified nursing assistant, or welding
- Last-dollar program, where students would first use federal and state aid to cover the cost of college before using the grant aid, but the state plans to award the grant to all adults regardless of financial need

### Partnering with community colleges to improve education and attendance:

- See [The Century Foundation's June 14, 2018 report “Funding Community Colleges for Equity, Efficiency, and Student Success”](#), an analysis of California community colleges, for further guidance

## Employee-Led Retraining and Lifelong Learning:

### Aspen Proposal – Lifelong Learning and Training Accounts:

- Create savings accounts that workers could use to pay for education and training
- Accounts would be fully portable from job to job, and the decision on how to use the accounts would be made by workers, not employers
- Accounts would be funded by individual contributions (pre-tax for workers with income below \$50,000), government matches (larger contributions for lower-income workers), and employer options to contribute money with funds excluded from taxable income for workers making less than \$50,000
- Focus on community college and short-term training: Contributions to the accounts could not exceed \$10,000, an amount sufficient to pay tuition at most two-year college or training programs (to encourage workers to use these accounts frequently throughout their careers)

### Examples of Short-Term (Non-Degree) Training Programs:

- Virginia: FastForward Virginia – short-term training for industry-aligned credentials; pay for success model (logistics, health care, welding and manufacturing, IT, and more)
- Nebraska: Community College Gap Assistance – program created by NewDEAL Leader Senator Kate Bolz to provide financial aid for lower-income students to pursue non-credit courses and certificates for competitive industries that face workforce shortages
  - ▶ Funds are distributed to community colleges, which recruit low-income students
  - ▶ Eligible training programs have stackable credentials that lead to a program awarding college credit or a certificate in high-demand occupation
- Kentucky: [Code Louisville](#) - NewDEAL Leader Mayor Greg Fischer has launched a series of 12-week tracks for workers to pursue a career in software development, at no cost to the student. More than 100 companies have hired the graduates

# Modernizing the Social Safety Net

### Portable Benefits:

#### Recommended Guidelines for Defining Contracting Entities in Legislative Proposals:

- Payments to the independent contractor are over \$600;
- The independent contractor is not an incorporated business, as corporations have different tax filing requirements and procedures; and
- The payer is an incorporated business and issues at least 100 Form 1099s per year.

#### New Jersey – Senator Troy Singleton – [New Jersey S-67](#):

- Legislation would require contractors who facilitate services by 50 or more workers each year (i.e. Uber) to contribute to a fund to provide benefits for those workers
- Contractors would contribute the lesser of 25% of the fee collected, or \$6/hour
- Benefits must include worker's compensation insurance, and may include: health insurance, paid time off, retirement, and other benefits
- Benefit providers must be non-profit entities and at least one-half of the board members must be workers or their representatives
- Would not apply to workers represented by existing collective bargaining agreements

#### Washington State – Stonier Bill – [Washington HB 2812](#):

- Contractors would contribute to a fund to provide benefits to workers
- Contributions would be the lesser of 15% of any fee collected or \$2/hour, plus workers compensation premiums (the amount is determined by the state Department of Labor and Industries)
- Provision of benefits would not affect worker classification decisions (i.e. whether the worker is an employee or independent contractor)

#### New York State – [“Black Car Fund”](#):

- Provides benefits for drivers for all ride services, including traditional taxi and limousine services as well as Uber and Lyft (about 125,000 drivers total)
- Established nearly 20 years ago (since 2000)
- Funded by a 2.5% consumer surcharge on each ride
- Benefits currently include workers compensation, and a death benefit of \$50,000 to the families of drivers – may expand further

### Related Federal Legislation: [Portable Benefits for Independent Workers Pilot Program Act](#) – Sen. Mark Warner:

- Establishes a portable benefits pilot program at the U.S. Department of Labor, authorizing \$20 million for competitive grants to states, local governments and nonprofits to design, implement and evaluate new models or assess and improve existing models for portable benefits for independent workers such as contractors, temporary workers and self-employed workers
- Requires eligible models provide work-related benefits and protections such as retirement savings, workers compensation, life or disability insurance, sick leave, training and educational benefits, health care, and more.
- Directs Secretary of Labor to prioritize models that can be replicated on a large scale or at the national level

### Paid Family Leave:

#### Columbus, Ohio: Paid Family Leave for City Employees:

- Columbus provides six weeks of parental leave at 70 percent of pay to city employees. The benefit is triggered by the birth or adoption of a child
- Employees are required to use 80 hours of sick or vacation leave prior to the family leave benefit kicking in. Employees can also elect to take this time as unpaid
- This benefit is extended to full-time regular and limited employees, as well as those employees otherwise eligible for protection under the Family and Medical Leave Act
- Employees may supplement their pay, up to 100%, during the six weeks of leave
- The benefit is in addition to short-term disability benefits, although they run concurrently
- **Caregiver Leave:** Columbus law also includes pilot to assess the costs and benefits of a caregiver leave program, modeled after current FMLA eligibility requirements
  - ▶ Provides up to four weeks of leave for full-time regular, FMLA-eligible employees
  - ▶ Can be used to care for the employee's spouse, son, daughter, or parent who has a serious health condition
  - ▶ Follows then-current FMLA rules regarding the definition of a serious health condition

#### Massachusetts: Paid Family Leave in the Private Sector:

- Massachusetts law provides up to 12 weeks of paid family leave to care for a new child, and up to 20 weeks of medical leave if an employee or a family member has a serious illness or injury (maximum 26 weeks per year)
- Benefit is determined based on a sliding scale of worker's income, with a cap based on average weekly wage in state/municipality (64% of state average weekly wage, or \$850 in 2018)
- Dedicated funding is provided by a payroll tax (0.63% in MA), which is shared roughly 50-50 between employees and employers, with exemption for employers with fewer than 25 workers.
- Employers that already provide paid leave can opt out, as long as the benefit they offer meets or exceeds the state plan.

## Unemployment Insurance

[Center for American Progress – Job Seekers Allowance](#) (federal proposal that could be adapted by states):

- Provide a small, short-term allowance of \$170 per week to jobseekers to support work search and preparation, replacing approximately 50 percent of the wages of a typical low-paid worker
- JSAs would encourage workforce participation, support geographic labor mobility, and promote family stability and social cohesion
- JSAs would also provide an incentive for individuals with limited or no recent work history to connect to the labor force, as well as connect them with counseling, employer referrals, and training and education opportunities

## Retirement Security:

Oregon – OregonSaves – State Treasurer Tobias Read:

- Requires employers to provide a retirement savings options or facilitate employees’ enrollment in a state program
- Employees are automatically enrolled but can opt out (which greatly increases participation compared to if employees must opt in)
- Contributions are fully vested immediately and totally portable
- Minimal expense of 1% of assets to cover administrative costs

## Earned Income Tax Credit:

See Center for American Progress report for a survey of state EITC policies:

- “Currently, 29 states and the District of Columbia offer state EITCs. In 23 states and the district, the EITC is refundable, meaning that families can receive the full value of the credit even if it exceeds their state income tax liability; in the other six, the EITC is nonrefundable, so the credit reduces a family’s income tax liability but no further than zero. Most states directly tie their EITC to a percentage of the federal EITC, which makes it very easy for states to administer.”

## Childcare Subsidies:

Delaware: Purchase of Care:

- Provides subsidies to childcare centers that accept low-income children
- Subsidy amounts are linked to the quality of care as determined by STARS, the state’s quality rating system. With five stars as the top quality rating, three-star centers are reimbursed at 80% of market tuition rates, four-star centers at 90%, and five-star centers at 100%+. Centers have an incentive to both admit low-income children and invest in quality of care.

## Reducing Unplanned Pregnancy:

Delaware Contraception Access Now:

- Public-private partnership with Upstream USA provides evidence-based practice transformation on contraceptive counseling to women so that they can choose when and if they would like to get pregnant and access to same-day, single-visit access to the full range of contraception options, including IUDs and implants, either in the hospital after childbirth or in the doctor’s office on a regular visit
- Medicaid covers the cost of placing an IUD directly after delivery, which gets bundled with the hospital’s charge for obstetric care
- Improved state Medicaid policy and strengthened patient choice by removing coercive restrictions on device removal
- Rigorous, independent evaluations of program impact, including health outcomes and related cost savings, help increase public understanding of the health and economic benefits
- Public awareness campaigns help to increase public knowledge of contraceptive options and of where low or no cost contraception can be obtained
- The Administration proposes funding for uninsured women to get access
- Delaware State law strengthens the federal Affordable Care Act (i.e. SB 151) requirement that insurers cover the cost of birth control, including immediate post partum coverage, without co-pays
  - ▶ Requires insurance plans, including Medicaid, individual, group, and state employee health plans, to include coverage for contraceptives with no cost sharing to the insured individual
  - ▶ Requires coverage of all FDA-approved birth control methods for women, from emergency contraceptives to intrauterine devices (IUDs)
  - ▶ Retains the exemption for religious employers in Delaware’s current contraceptive coverage law
  - ▶ Expands upon the ACA by requiring insurers to cover 12-months of birth control dispensed at one time
  - ▶ Expands upon the ACA by requiring insurers to cover emergency contraceptives without a prescription
  - ▶ Expands upon the ACA by requiring insurers to cover immediate postpartum Long Acting Reversible Contraceptives (LARCs)
- In a similar effort in Colorado, over three years, the state saw savings of \$5.85 in Medicaid costs for every \$1 invested, because mothers and babies ended up healthier
- Early reports estimate a 15% reduction in unplanned pregnancy among Title X patients in Delaware.

## Appendix 3:

# Supporting Entrepreneurship, Innovation, & Access to Capital

Connecticut – [Entrepreneur Learner's Permit program](#) – Representative Caroline Simmons

- Provides up to \$1,000 in reimbursements for state licensing and permitting costs to first-time entrepreneurs in fields with high growth potential, like the information services, biotechnology, and green technology industries
- Caps total funding to make the program as effective as possible and provide some certainty in the state or local budget

Rhode Island – [BankLocal program](#) – State Treasurer Seth Magaziner

- Uses the \$500 million to \$1 billion that state agencies hold in cash to make deposits to local community banks and credit unions as an incentive for small business lending.
- Makes participating lending institutions eligible to receive a cash deposit equal to the amount of each small business loan the institution makes, up to \$250,000.
- Requires loans be made to small businesses within the state with no more than 100 employees
- Supports women- and minority-owned businesses, as well as businesses founded by first-time entrepreneurs, with a 2-to-1 funding match
- Makes deposits “sticky,” with the state pledging to keep deposits at the lending institutions for the duration of the matched loans.
- Establishes a list of standards for lenders to meet to receive state funds, including what assets can be used as collateral

Colorado – Legislation Supporting Rural Economic Development – Senator Kerry Donovan

- [Colorado SB18-005](#) “Rural Economic Advancement of Colorado Towns”
  - › Authorizes coordination of the provision of nonmonetary resources to assist with job retention or creation in rural communities experiencing a significant economic event, such as a plant closure or layoffs, including industry-wide layoffs, that has a significant, quantifiable impact on jobs within that community
- [Colorado SB17-081](#) “Rural Broadband Deployment”
  - › Takes funding from High Cost Support Mechanism – a decades-old grant program that transfers fees collected from every telephone user that are used to bring telephone service to hard-to-reach areas – and [moves that money into a new grant program designed to do the same thing for broadband infrastructure](#)
- [Colorado SB18-104](#) “Federal Funds for Rural Broadband Deployment”
  - › Requires the broadband deployment board to petition the Federal Communications Commission (FCC) for a waiver from the FCC's rules prohibiting a state entity from applying for federal money earmarked for broadband deployment in remote areas of the nation through the FCC's remote areas fund

Connecticut – [Reforming Occupational Licensing SB 191](#) – Senator Bob Duff

- Eliminates occupational licenses, registrations, and certificates for professions where deemed necessary, including jobs that don't have educational or professional prerequisites, like Residential Flat Glass or Automotive Glazier



## About the NewDEAL Forum

In this rapidly changing world, America is fundamentally at a crossroads. The pace of change in our economy and nearly every facet of our lives is accelerating due to unstoppable forces: globalization and technological innovation. These forces have left many Americans behind and will continue to stifle opportunity unless we adapt. Progress in policymaking at the state and local levels is critical to promoting and advancing an economic agenda that expands opportunity for everyone.

The NewDEAL Forum is a Washington-DC based non-profit organization that identifies and promotes innovative, future-oriented state and local pro-growth progressive policies that can improve the lives of all Americans. By facilitating the identification and spread of policy ideas, the NewDEAL Forum seeks to foster economic growth, reduce barriers to opportunity and promote good government in communities, cities and states throughout the country.

The NewDEAL Forum advances its mission by researching, identifying and sharing state and local pro-growth progressive policy ideas and bringing together public, private and non-profit sector policy experts to exchange ideas and discuss the country's biggest challenges. In addition, the Forum encourages the exchange, sharing and dissemination of ideas via conferences and other in-person and virtual convenings.

The NewDEAL Forum has created its first working group around the Future of Work to research and disseminate best practices about how state and local governments can best expand opportunity for all in the changing economy. Future working groups will likely cover combating climate change, improving K-12 education and more.

If you would like to speak with someone about making a contribution, please contact Brittany Wise at [brittany@newdealleaders.org](mailto:brittany@newdealleaders.org) or by phone at (202) 660-1340 (x4).



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