



H.R. 9461, the USA Workforce Investment Act

Rep. Lloyd Smucker (R-PA)

Background:

- Workforce tax incentives to help generate donations to apprentice and workforce development programs **expand opportunities for American students and workers who utilize those programs.**
- We must ensure our education system is preparing the next generation of high-skilled workers to succeed in a 21st-century economy as more jobs require postsecondary credentials or technical training across industry sectors including manufacturing, construction, information technology, and health care.
- The best way to accomplish this goal is to expand available training options and career pathways to Americans to connect them with good-paying jobs.

Issue(s):

- The Federal Government currently spends **\$111.3 billion** annually on traditional 4-year college degree programs compared to only **\$28.2 billion** on career and technical college and training.
 - **40%** of business leaders say college graduates are unprepared to enter the workforce.
 - Only **11%** of postsecondary students report feeling very prepared to enter the workforce.
- Four million baby boomers leave the workforce every year, and 57% of the aging workforce has transferred less than half their knowledge to the incoming one.
- There are 8.1 million jobs open in the U.S. yet over 1.5 million Americans are considered long-term unemployed.
- At a time when it is clear that **four-year college is not right for everyone**, and to help fill available jobs to boost our economic growth, we should consider ways to prepare current and future workers for in-demand jobs.
- The Committee recently **took action** to address these issues by passing *H.R. 8915, the Education and Workforce Freedom Act* which expanded eligible expenses for 529 savings accounts to include expenses associated with obtaining or maintaining recognized **postsecondary credentials and licenses, including technical trades and certifications.**

The USA Workforce Investment Act:

- Provides individual taxpayers a tax credit for donations/charitable contributions to workforce development and training organizations.
- Workforce development and training organizations, as defined, are organizations that provide **recognized training services** and include, as determined by the State's Governor, nonprofit organizations such as community colleges, community organizations, and training institutes.
- Eligible organizations must provide certified workforce development training as defined in the Workforce Innovation and Opportunity Act including **occupational skills training, on-the-job training, skills upgrading and retraining, entrepreneurial training, and adult education and literacy activities.**
- The maximum credit under this legislation is 25% of a taxpayer's adjusted gross income, up to \$150,000.
- This pilot program would receive an annual allocation of \$5 billion to be distributed as tax credits on a first-come, first-serve basis during a four-year trial period.