



Community-Based Workforce Development Act

Introduced by Rep. Susie Lee (D-NV) and Rep. Suzanne Bonamici (D-OR)

Why do we need the Community-Based Workforce Development Act?

The U.S. Chamber of Commerce has emphasized that the most critical and widespread challenge facing American businesses in 2022 is the inability to hire qualified workers for open jobs they need to fill. Ninety-four percent of state and local chambers say businesses in their area are finding it difficult or very difficult to find workers. Almost all industry association economists likewise report that employers in their sectors are struggling to find qualified workers for open jobs.ⁱ

Meanwhile, in a survey commissioned by the American Staffing Association, more than three-fifths of workers and job seekers say employers are not meeting their training expectations,ⁱⁱ with 48 percent of workers telling Gallup in a separate survey that they would transition to a new job if offered skills training opportunities.ⁱⁱⁱ New research from MIT's Sloan School of Management further reveals that the workers who need training most are not getting it, making it harder for companies to source skilled workers and for workers to land ready, good-paying jobs.^{iv}

Sector partnerships help solve these problems, for workers and businesses alike. Through this collaborative, community-based approach to workforce development, employers team up with educational institutions, local workforce boards, and other organizations to address their industry's local skill needs and facilitate training for the in-demand jobs in their communities.^v

What would the Community-Based Workforce Development Act do?

There is currently no dedicated federal funding for sector partnerships. As a result, workforce systems at the state and local levels often must utilize a patchwork of different federal, state, and private funding that does not provide the consistency or longevity that these partnerships need to succeed.

The Community-Based Workforce Development Act would authorize a new federal grant program — the Sectoral Employment through Career Training for Occupational Readiness, or SECTOR, Program — to assist state and local workforce systems with cultivating, establishing, and growing sector partnerships.

Specifically, the bill would:

- Authorize funding for the SECTOR Program through Fiscal Year 2028.
- Allocate 80 percent of authorized funding directly to states and localities via formula to convene, develop, or expand sector partnerships.
- Reserve 20 percent of authorized funding for awarding national competitive grants to eligible sector partnerships for the purposes of expanding workforce development and employment opportunities for high-skill, high-wage, or in-demand industry sectors or occupations. Priority would be given to applications serving economic regions that are experiencing high poverty or facing significant worker dislocation — or places that have traditionally been underserved by regional economic development and sector partnership activities, including rural areas.
- Require the Department of Labor to evaluate the effectiveness of the SECTOR Program and provide its findings to Congress as well as publish them online for public review.

Endorsements:

- **National Skills Coalition**
- **Third Way**
- **Workforce Connections**

Hear from workforce experts on why we need this bill:

- “We hear from our network of small and mid-sized businesses, community-based organizations, community colleges, and training providers consistently that **sector partnerships are one of the best strategies for meeting worker and business demand** — but more federal dollars are needed to ensure these partnerships are long-lasting, more successful, and serve more people. **The Community-Based Workforce Development Act** is an important step for ensuring that the federal government offers a helping hand to our much-underfunded workforce system and **helps ensure workers and students can access quality jobs that are in-demand and available within their community**. With priority given to those areas that have been historically underserved by the workforce system, this bill is an important step to ensuring our workforce system is more equitable and works for all people.”
 - *Caroline Treschitta, Policy Analyst, National Skills Coalition*
- “As we train future generations for good-paying jobs, **we need to make sure that employers, educators, and workers are collaborating and in sync**. Sector partnerships are a way to do that and usher in a new era of collaboration into our training system. While **these collaborative efforts** offer so much promise, they **have lacked consistent funding for years**. I applaud Rep. Susie Lee for her work on **the Community-Based Workforce Development Act**, which **addresses that gap by providing dedicated funding for sector partnerships** — encouraging these kinds of initiatives and making them more available across the country.”
 - *Gabe Horwitz, Senior Vice President for the Economic Program, Third Way*
- “[Sector] partnerships identify the needs of employers so they can be embedded **better and earlier** in the talent development pipeline. They also help employers implement work-based training solutions and innovative attraction and retention strategies. The **new labor market requires an evolution of talent development systems**.

“**Workforce Connections supports federal legislation that funds regional sector partnerships**. This will help local areas craft the unique solutions needed by their businesses and employers and create sustainable talent development pipelines for their communities.”
 - *Jaime Cruz, Executive Director, Workforce Connections — Southern Nevada’s Local Workforce Development Board*

For more information or to cosponsor or endorse this bill, please contact:

Mark Coombs in Congresswoman Susie Lee’s office at mark.coombs@mail.house.gov.

ⁱ [Quantifying the Nation’s Workforce Crisis – State of American Business 2022 Update](#) (U.S. Chamber of Commerce)

ⁱⁱ [Workers Across Generations Dissatisfied with Employer Training](#) (Society for Human Resource Management)

ⁱⁱⁱ [The American Upskilling Study: Empowering Workers for the Jobs of Tomorrow](#) (Gallup)

^{iv} [Survey: Workers who need training most aren’t getting it](#) (MIT Sloan School of Management)

^v [Sector Partnership Policy Toolkit](#) (National Skills Coalition)