



November 5, 2020

Re: Recommendations for Equitable Workforce Development in Illinois

Honorable Members of the Senate Higher Education Committee:

The outlook for job seekers is dire. COVID-19 has devastated an already inequitable labor market, especially hurting people who rely on employment in our local economies, such as small businesses and restaurants. This has left many families without a lifeline.

Over 2.4 million Illinoisans have filed for unemployment benefits since March, and the state unemployment rate remains high at over 10%. Families are still struggling to access work.

The burdens of the pandemic and ensuing economic crisis are hitting Black, Indigenous, and People of Color (BIPOC) communities in Illinois hardest. BIPOC workers continue to disproportionately face employment barriers, including occupational segregation, disinvestment, housing, transportation, childcare issues, and others. Added to this, the challenges of COVID-19's health and economic impacts have left many more households unsure how they will stay housed or fed, let alone how they will advance in a very unpredictable labor market.

Illinois must prioritize state and federal funding to invest in education, skills training, and barrier removal to build the foundation for a widely shared economic recovery, while preparing the workforce to meet the challenges of this new environment. Cultivating and investing in our state's diverse talent can unleash regional innovation, economic growth, and community well-being as the economy recovers.

We are calling on legislators to prioritize investments to help working Illinoisans return to work by funding workforce development programs, designing policy to remove employment barriers that create disparities, and promoting more effective data transparency between state agencies serving Illinoisans, to both help the state better address this economic crisis and to allow our residents to thrive. This will also help prepare Illinois for any future investments in workforce development made through federal action or Congressional stimulus packages.

Heartland Alliance works to advance human rights and champion human dignity by providing services and promoting solutions to achieve a more just global society. We proudly serve approximately 400,000 people annually through services focused on health and healing, economic opportunity, and safety and justice.

COVID-19 has had a devastating impact on our program participants, but the truth is that they faced challenges with securing quality employment long before the pandemic. Illinoisans typically experience sharp disparities in well-being indicators, likely worsened in this crisis. Over half of Illinoisans in poverty in 2019 were Black or Latinx. In 2019, Illinois experienced the largest increase in uninsured individuals in a decade, leaving hundreds of thousands of people vulnerable heading into this public health emergency. The latest data on poverty also showed that Illinois took eleven years to recover from the previous recession—several years longer than other states.¹ This context underscores the dire need to proactively invest in economic recovery strategies over the coming months.

Our state's economy will only meet its fullest potential if economic recovery strategies center equity and the most marginalized job seekers have a fair opportunity to participate in the labor market.

To support our program participants, we recommend the following:

1. Use a racial equity lens to invest state funding in inclusive career pathways programming to ensure shared economic recovery for Illinoisans who face barriers to employment.

- **Direct public resources to the communities most impacted by racism, disinvestment, and the harms of the COVID-19 pandemic.** For example, state agencies could utilize the map of [Disproportionately Impacted Areas \(DIAs\)](#) to direct not only business and cannabis investments, but workforce and adult education program dollars. Such funds should be directed alongside accountability mechanisms to ensure that funding is reaching people who have been historically marginalized and left out and left behind in our labor market.

Ensure that job seekers can afford to live while building their skills. This should include [subsidized employment opportunities](#). Subsidized employment programming can be used to support equitable access to employment and economic opportunity by providing low-barrier access to paid work for people who would not otherwise have access to labor markets. In addition to offering the stability of earned income while participating in training and other skill-building activities, subsidized employment offers participants rapid access to income to meet basic household needs, and a venue in which to learn and practice successful workplace behaviors.

In addition, a rapid connection to low-barrier subsidized employment can be used as an engagement strategy to connect non-service-seekers to services, as demonstrated by Heartland Alliance's READI Chicago initiative, in which individuals at very high risk of being engaged in gun violence are promised a subsidized job along with a cognitive-behavioral intervention designed to reduce violence risk.

In order to meet the objective of improving equity in workforce development, subsidized employment programs should be designed to eliminate or mitigate

barriers to entry whenever possible, because any policy or process that functions to [screen candidates out](#) of programming will likely increase inequitable access and outcomes. Research shows that including subsidized work opportunities in the nonprofit and public sectors increases employment access for individuals with less prior work experience and more barriers to employment. Evaluations of subsidized employment initiatives have demonstrated very high rates of work participation (as high as 90%) as long as the programs effectively mitigate barriers and attach participants rapidly to paid work.

- **Perform an equity audit to existing workforce development funds flowing to communities across the state as well as planning and implementation policies.**

The public workforce system faces some external challenges to racial equity in employment that it cannot control, such as employer discrimination and public funding cuts. However, the system has also compounded racial inequities through its own policies and practices. For example, prohibiting children at American Job Centers, instituting restrictive program eligibility criteria, or under-resourcing supportive services can effectively exclude low-income jobseekers of color who are facing barriers to employment from engaging in services. The system is not serving these jobseekers at meaningful rates. In 2018, nationally only 0.2 percent of people exiting WIOA programming were about to exhaust TANF benefits, only 3.5 percent were experiencing homelessness, and only 10.3 percent were justice-involved. These jobseekers are disproportionately Black, face significant barriers to employment, and are likely experiencing poverty. They are the very job seekers the public workforce system is tasked with serving, and it is failing them.

Illinois has an opportunity to audit the ways in which workforce funds are being used, the policies that steer the allocation of resources, partnerships, impacts of funding, and fund prioritization to assess if workforce funds are producing equitable outcomes. Additionally, Illinois could reassess its local and state planning documents and ensure that commitments to racial and gender equity are prominent and actionable objectives and strategies are outlined. Given the high level of discretion attached to workforce funds at the state and local level and multiple “choice points” within the system, Illinois has an opportunity to right the wrongs of the current system using existing federal and state funds.

- **Support job seekers on SNAP by investing state dollars in SNAP Employment & Training.** SNAP Employment & Training (E&T) funding represents a potentially useful but underutilized resource for Illinois to deliver employment services to the people who need them the most. Investing state dollars and other third-party non-federal funds into SNAP employment and training resources is critical to meeting the employment needs of people in the state with low-incomes and who have been left out and left behind in the labor market. Illinois should review the [proposed guidance](#) by the Food and Nutrition Service in considering the design programs – keeping in mind that new regulations may require the state to align SNAP E&T plans with other

workforce development plans as well as open up SNAP E&T funding for subsidized employment and other intensive workforce development program models.

- **Invest in demand-driven skills training and job placement services for people with criminal records.** Since the advent of mass incarceration in 1979, there are an estimated 3.3 million adults who have been arrested or convicted of a crime in Illinois. Under current laws, these individuals have limited rights and face [permanent punishments](#) even after their criminal legal system involvement has ended – many that impact access to good jobs. In addition to addressing the structural barriers that limit access to employment and education in Illinois, the state must prioritize workforce funding for skills training, education, and job placement services for people with records.
2. Align policy to eliminate non-skill barriers to employment disproportionately faced by people of color, foreign-born workers, and women in Illinois.
- **Eliminate driver’s license suspensions for failure to pay tickets, fines, fees, or child support, and for failure to appear in court.** Across our state, the extreme consequences of inability to pay tickets, fines, and fees multiply the economic harms of the COVID-19 pandemic. Ample evidence shows that Black and Latinx Illinoisans hit hardest by the pandemic are also disproportionately targeted with fines, fees, and harmed by the resulting aggressive collections practices. As of 2019, over 600,000 driver’s licenses were suspended in Illinois due to Failure to Pay ticket debt and failure to appear in court - amounting to 61 suspended licenses for every 1,000 drivers in Illinois. Unfortunately, utilizing driver’s license suspension as a debt collection tool is ineffective and counterproductive, and it creates massive barriers to employment.
 - **Support policies that will help prevent and end housing insecurity and homelessness.** [Recent data](#) show that nearly one in six adult renters are behind on rent, with about one in four Black renters and one in five Latinx renters owing rent. To prevent a wave of impending evictions, the state must enact an extended moratorium on evictions, foreclosures, and late payment fees for all renters and homeowners, including renters in the private market and holders of privately-backed mortgages. The state must also increase and enhance rental assistance (particularly through the flexibility that CARES Act- CDBG-CV offers to Illinois families impacted by COVID), and access to legal counsel for people facing or at-risk of eviction. With regard to people experiencing unsheltered homelessness or living in temporary shelter, the state should leverage its available federal funding toward creating and supporting permanent housing solutions.
3. Increase data sharing and transparency across state agencies that touch education and workforce training to identify and address equity gaps in our public investments.

We believe that these policy priorities will allow our program participants – and hundreds of thousands of people like them in Illinois -- overcome barriers to employment, build the skills that they need for in-demand occupations, and retain jobs that can support them and their families. Investing in subsidized employment, skills training, and barrier reduction efforts – while centering equity in policy – benefits both jobseekers and employers, and can help Illinois make a more equitable and robust recovery.

Sincerely,

Kimberly Drew
Legislative Advocacy Director
Heartland Alliance

ⁱ https://www.heartlandalliance.org/press_release/new-data-shows-most-significant-increase-in-uninsured-individuals-in-almost-a-decade-right-before-the-pandemic-hit/