

The SKILL Act

The Problem:

Experts warn that artificial intelligence could eliminate half of all entry-level white-collar jobs in the next five years, driving unemployment to as high as 20 percent. When faced with prior job disruption, the federal government has a poor track record of helping displaced workers find new jobs. Instead, Congress should leverage the private sector to invest directly in programs training workers for the skills employers need.

The Solution:

Public colleges and universities, particularly community colleges, are critical partners in workforce development. Employers can support these efforts by identifying in-demand skills and providing financial support or assistance in developing degree or certificate programs. By investing their own resources in these programs, employers have skin in the game to ensure those programs are effective. In turn, the employer's investment is a signal to workers that these programs teach skills that are in high demand.

Introducing The SKILL Act

The **Supporting Knowledge Through Industry-Led Learning (SKILL) Act** establishes a new tax credit within the general business credit to promote investment in designated workforce development programs designed to be completed in less than two years. Qualified investments include curricula development, skills assessment development, internships and applied learning opportunities, registered apprenticeship programs, provision of labs, and donations of cash, equipment and personal services. Employers who make these investments would receive a \$2,500 credit for each student who completes such a program, and an additional \$2,500 for each graduate they hire.

The SKILL Act provides \$500 million in tax credit authority allocated annually to states on a per capita basis. Each state would designate an agency to award credits to qualifying consortia of community colleges, public colleges and universities, or registered apprenticeships and certify businesses' eligibility to claim the credit. Unused credits are carried over and returned to the national pool the following year.

Endorsements: TechNet, American Association of Community Colleges, The Digital Chamber, Chamber of Progress

