



# Tomorrow's Workforce Coalition

## Comprehensive Talking Points

### Tomorrow's Workforce Coalition

- The Tomorrow's Workforce Coalition was established to build support for the bipartisan, bicameral *Freedom to Invest in Tomorrow's Workforce Act* (S. 722 / H.R. 1477).
- **The Coalition advocates to shift the 529 paradigm from “college savings plans” to “career savings plans” by increasing access to career-building credentials and training while opening up 529 plans’ unique tax advantages to more people.**
- The Tomorrow's Workforce Coalition includes more than 760 member organizations, which collectively span every state in the country. Members comprise organizations from every sector and all industries that drive our economy, including various fields that do not require a college degree.
- On 9.27.2023, the Tomorrow's Workforce Coalition [sent a letter](#) to leadership on the House Ways & Means and Senate Finance Committees to advocate for the *Freedom to Invest in Tomorrow's Workforce Act*.

### Freedom to Invest in Tomorrow's Workforce Act (S. 722 / H.R. 1477)

- **S. 722 is led by Senators Amy Klobuchar (D-MN) and Mike Braun (R-IN) in the Senate.**
- **H.R. 1477 is led by Representatives Rob Wittman (R-VA) and Abigail Spanberger (D-VA) in the House.**
- S. 722 / H.R. 1477 would expand qualified expenses under 529 savings plans to include postsecondary skills training and credentialing programs, such as licenses and nongovernmental certifications.
- The legislation would empower Americans of any educational background, skill level or age, and would benefit all industries and professions that rely on employees with specialized training or credentials.
- America's workforce is comprised mostly of middle-skill jobs that require more than a high school education but not a bachelor's degree, according to the National Skills Coalition.
- The bill would cover for both OBTAINING and MAINTAINING postsecondary credentials and skills training.
- **The Joint Committee on Taxation scored the bill at \$85 million over 10 years.**
- Credentialing and training eligibility includes:
  - Programs included in any state Workforce Innovation and Opportunity Act (WIOA) database and those considered “recognized postsecondary credentials,” as defined under WIOA statute—section 3(52);
  - Programs accredited by the American National Standards Institute (ANSI); and
  - Programs accredited by the National Commission of Certifying Agencies (NCCA).
- The Internal Revenue Service (IRS) will conduct guidance or rulemaking, in consultation with the Department of Labor (DOL), to determine how to include legitimate, deserving programs that do not meet the above criteria.

## Policy Developments - S. 722 / H.R. 1477

- **12\* bipartisan senators cosponsor the Senate bill** - 7 Republicans and 5 Democrats
- **94\* bipartisan representatives cosponsor the House bill** - 62 Republicans and 32 Democrats
- **10\* Republican members of the House Ways & Means Committee cosponsor the bill** - Reps. Carey, Feenstra, Ferguson, Fitzpatrick, Kelly, Kustoff, LaHood, Moore, Murphy, Steube and Van Dуйne
- On 10.25.2023, the House Committee on Ways & Means held a hearing to examine education and workforce issues. The Committee discussed H.R. 1477 and a witness who represented a Coalition member [testified in support of the bill](#).

## 529 Savings Plans

- 529 savings plans are state-sponsored education savings vehicles that are exempt from federal taxes if funds are used to pay for qualified education expenses.
- Qualified expenses include college, graduate or professional degrees; programs from Title IV-accredited institutions; registered apprenticeships; up to \$10,000/year in K-12 tuition; and certain student loan repayments.
- **529 plans do not cover expenses related to postsecondary credentials and skills training.**
- The 2019 *SECURE Act* (P.L. 116-94) expanded 529 plans to include apprenticeship programs and K-12 tuition, which will cost \$200 million over 10 years. (Versus \$85 million over 10 years for S. 722/H.R. 1477.)
- There is approximately \$450 billion nationwide in 529 accounts, according to the College Savings Plan Network.

## Postsecondary Credentials

- “Postsecondary credentials” include governmental licenses, nongovernmental certifications, registrations and other specializations.
- Licenses and certifications reduce race and gender wage gaps by more than 40 percent, according to the University of Chicago.
- Many credentials do not require a college degree to obtain.
- Credentials provide for higher income and increased career prospects.
- Professional certifications enable professionals to distinguish their own skills, experience and expertise from their peers
- Credentials help facilitate market competition and increase options for consumers.
- There are approximately 40 million credentialed workers in the U.S., according to the Bureau of Labor Statistics.

\*As of 12/2/23 - Email [ASAE staff](#) for the latest cosponsor figure.