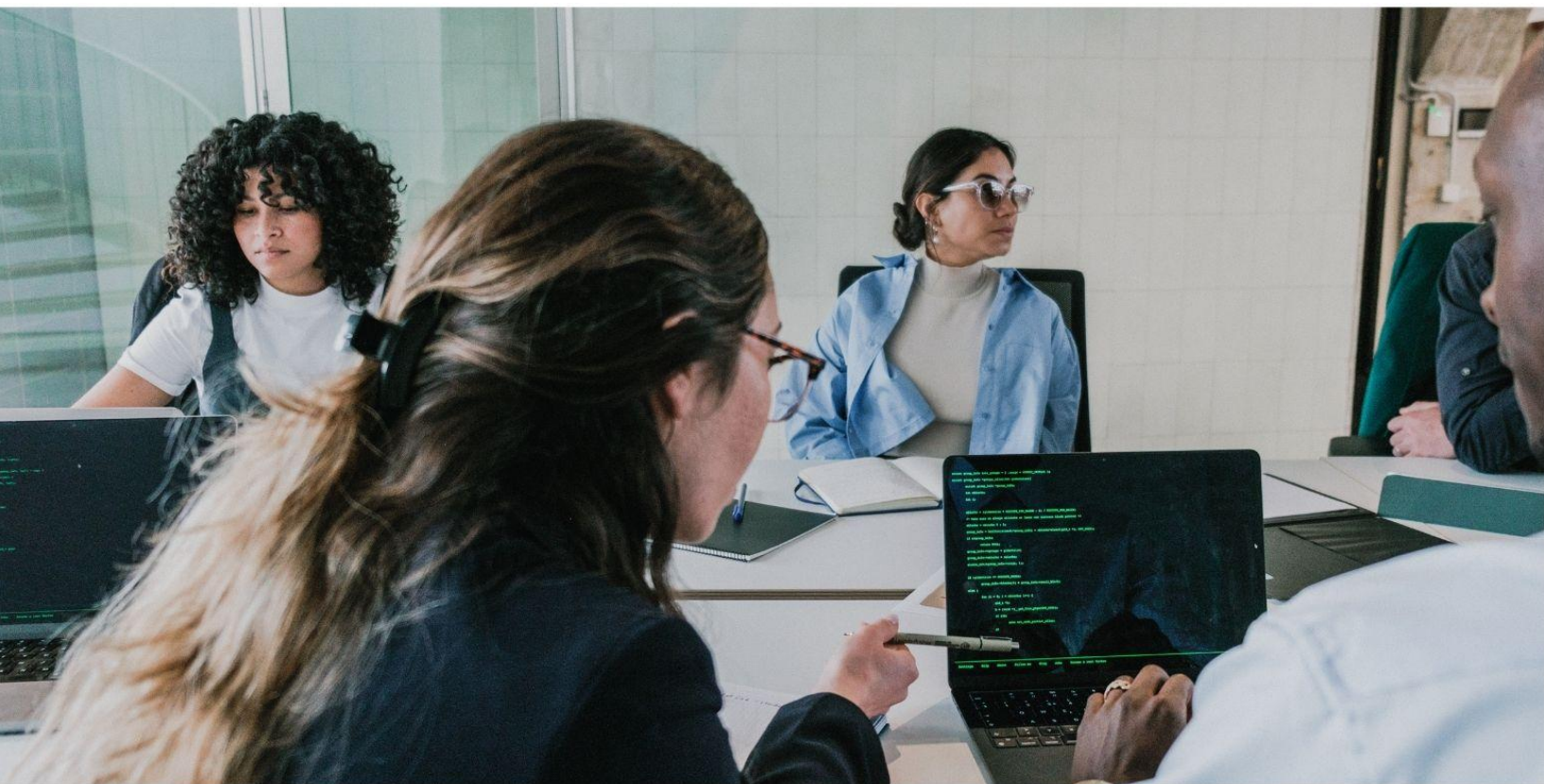


A series from the **Alternative Funding Innovation Lab**

Alt Funding Field Guide

Building sustainable funding
for digital adoption



Workforce development

By Samantha Schartman & Dr. Roberto Gallardo

The **Alt Funding Field Guide** is a series of publications produced by Connect Humanity's Alternative Funding Innovation Lab. It makes the case that digital inclusion programs create economic value across multiple sectors, and sets out how those sectors can co-invest to sustain the work.

This sector guide explores how the workforce development system can build lasting support for foundational digital skills programs, and why it is in workforce agencies' direct institutional interest to do so.

All chapters can be found at connecthumanity.fund/alt-funding-guide/

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Table of contents

Introduction.....	4
Section 1: How workforce funding works.....	5
Governance and structure.....	5
How funding flows.....	7
Performance accountability.....	9
Section 2: Where to enter the system.....	10
Tier 1: Local Workforce Boards.....	10
Tier 2: SNAP E&T and TANF.....	12
Tier 3: Adult education and CTE.....	13
Section 3: Co-investment partnerships in practice.....	15
Byte Back: A case study.....	15
Why social program savings matter to workforce agencies.....	17
Section 4: Integrating digital literacy training into the system.....	18
Contracting with community organizations.....	18
Building digital readiness into agency operations.....	19
State-level infrastructure.....	20
Conclusion.....	22
References.....	24

Introduction

The labor market is undergoing a rapid process of digitization. In 2002, [45% of jobs](#) required some level of digital skills. By 2023, that had [reached 92%](#). Job search happens online. Training platforms are digital. Employers expect a certain standard of digital competency in roles that were previously not considered “technical”.

Artificial intelligence intensifies this dynamic. A 2025 U.S. Chamber of Commerce report [found that 60%](#) of small businesses are using AI. A new [AI Literacy Framework](#) issued by the Department of Labor points to foundational digital skills as a precursor to AI adoption.

The workforce development sector exists to help workers succeed in a changing job market. Yet when it comes to the digitalization of our economy, it is playing catch up.

Workforce systems often assume candidates have the foundational digital skills needed to navigate today's labor market. The Markle Foundation has called out a "[digital blind spot](#)" in workforce development, with significant consequences for individuals left behind, and for the wider economy that misses out on their talents. While many workforce-focused training programs address advanced sector-based digital skills, the system lacks a foundational layer to ensure individuals have the basic digital literacy, device access, and connectivity required to progress. This digital readiness foundation is essential to ensure people can move through the system and that workforce investments deliver their intended value.

Workforce agencies operate under performance accountability systems that tie funding stability to measurable outcomes: employment rates, earnings gains, credential attainment. All of these are directly affected by digital readiness. When participants cannot navigate online enrollment, complete assessments on a digital platform, or engage with hybrid instruction, they drop out. When they drop out, outcomes suffer. When outcomes suffer, agency funding is at risk. It is therefore in the direct interest of workforce agencies to ensure workers have the foundational digital skills needed to succeed.

For digital inclusion practitioners, the workforce system represents one of the most significant and underutilized funding territories available. It is a large, braided system, with multiple federal and state funding streams, coordinated at the point of service delivery. Digital readiness belongs inside that structure.

This chapter explains how the workforce funding system operates, where digital skills organizations can enter it, what the value proposition looks like in practice, and what it would mean to embed digital readiness as a core workforce function rather than grant-cycle-dependent programs.

Section 1: How workforce funding works

Workforce development in the United States is often described as a single system. In reality, it is a network of actors operating across multiple levels of government, each with distinct funding streams, statutory requirements, and performance expectations. For digital inclusion practitioners entering this territory, the complexity can feel like a barrier. But this opportunity in this complexity, with multiple entry points, funding streams, and stakeholders who share an interest in better outcomes for workers.

Governance and structure

The central law governing workforce development is the [Workforce Innovation and Opportunity Act \(WIOA\)](#), which establishes how programs are structured, funded, and evaluated. WIOA organizes the system into five core titles:

Table 1: Key elements of the Workforce Innovation and Opportunity Act (WIOA)

Title	Description
Title I — Workforce Development Activities	Job training and related services for unemployed or underemployed individuals; establishes the governance and performance accountability framework.
Title II — Adult Education and Literacy	Education services to assist adults in improving basic skills, completing secondary education, and transitioning to postsecondary programs.
Title III — Wagner-Peyser Act Amendments	Integrates the U.S. Employment Service into the one-stop system, supporting job matching and labor exchange services.
Title IV — Rehabilitation Act Amendments	Employment-related vocational rehabilitation services for individuals with disabilities.
Title V — General Provisions	Transition provisions from the prior Workforce Investment Act to WIOA.

Federal authority rests with two agencies. The U.S. Department of Labor, through the [Employment and Training Administration](#), administers Titles I and III. The U.S. Department of Education oversees Titles II and IV. Congress appropriates funding annually, and most of it flows to states through formula grants based on population, unemployment levels, and economic conditions rather than competitive awards. Federal agencies also issue competitive discretionary grants, which are often used to test new program models or target specific populations.

At the state level, State Workforce Agencies and State Workforce Development Boards oversee implementation. They submit unified state plans that determine how federal

funds are used and how programs are aligned. Those plans are an important but underused entry point for digital skills practitioners. A state that names digital readiness as a priority in its plan creates downstream permission for local boards to fund and measure it.

At the local level, Local Workforce Development Boards (LWDBs) administer Title I funds and coordinate service delivery through American Job Centers, [one-stop access points](#) where individuals can find training programs, career services, and support such as transportation and childcare assistance. These boards control significant discretionary resources and make the contracting decisions that determine which providers operate within the system.

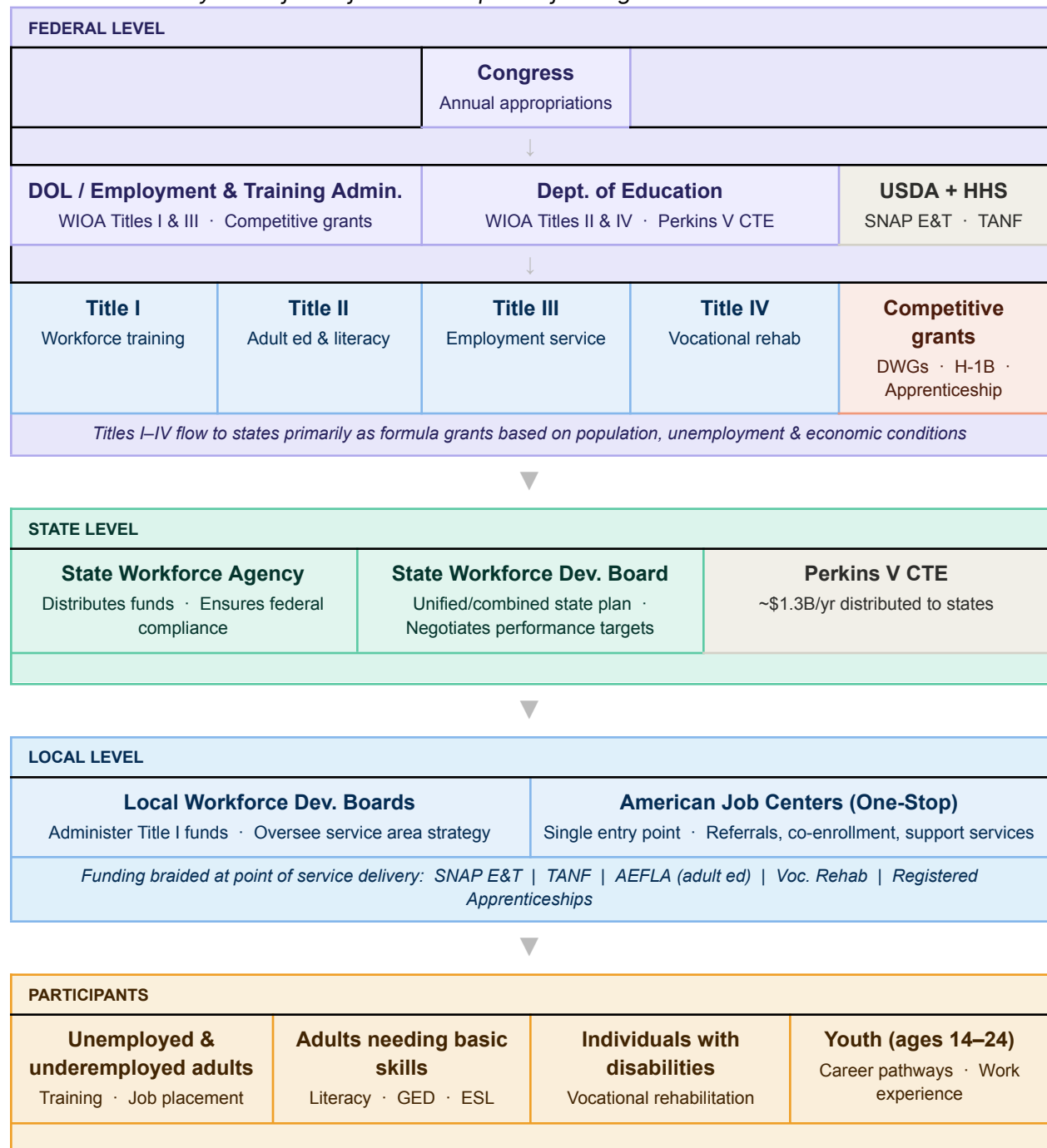
Beyond WIOA, several other funding streams operate in parallel and are frequently braided with workforce funding at the point of service delivery:

- **SNAP Employment and Training (SNAP E&T):** supports education and training for SNAP recipients, with a 50% federal reimbursement mechanism that functions as a co-investment structure
- **Temporary Assistance for Needy Families (TANF):** flexible block grant funding that states use to support employment preparation and barrier reduction
- **Perkins V Career and Technical Education:** approximately \$1.3 billion annually distributed to states for credential-bearing CTE programs aligned with in-demand occupations

How funding flows

Workforce development functions financially as a braided system. Centered around WIOA, multiple federal and state funding streams move in parallel, each governed by its own statutory rules and performance outcomes, but aligned at the point of service delivery through the one-stop system and coordinated state planning.

Table 2: Braided system of workforce development funding



No single grant covers an entire pathway from basic skills to employment. State and local leaders intentionally braid funding streams so participants can move through coordinated sequences of education, training, and employment services. Digital readiness must sit at the foundation of that sequence to enable participants to move through the system, and can be funded across several of its streams.

Competitive Grants

Formula funding forms the foundation of the workforce system, but a layer of competitive grants sits on top of it, enabling innovation, surge response, and sector-specific investment that formula dollars cannot easily support.

National Dislocated Worker Grants are the primary surge mechanism. Administered by the Secretary of Labor under Section 170 of WIOA, they kick in when a major layoff, natural disaster, or other large-scale event creates more need than regular formula funding can cover, giving states and communities temporary capacity to serve the surge.

[H-1B Skills Training Grants](#) operate through a different and less widely understood mechanism. They are funded by fees paid by employers when petitioning to hire high-skilled foreign workers through the H-1B visa program. Congress redirects those fees into grants that train domestic workers for high-growth sectors. The current active program, the [Industry-Driven Skills Training Fund](#), awarded more than \$86 million to 14 states in September 2025, with priority sectors including information technology, AI infrastructure, advanced manufacturing, and cybersecurity. These grants are awarded to State Workforce Agencies, which then build public-private partnerships to deliver training. For digital skills organizations working in IT, cybersecurity, or advanced manufacturing, the entry point is a partnership with the state workforce agency or an existing grantee rather than a direct application. That makes early relationship-building with state-level workforce contacts particularly valuable for organizations with ambitions beyond local contracting.

Unemployment Insurance and Reemployment

Unemployment Insurance (UI) is not a workforce program in the traditional sense, but it is financially and operationally linked to the workforce system through the Reemployment Services and Eligibility Assessment program, [known as RESEA](#). The program replaced the earlier REA program in 2015 and was permanently authorized under the Bipartisan Budget Act of 2018. It is structured to connect UI claimants with reemployment services while also supporting benefit eligibility assessment. States administer RESEA through their UI agencies, with services delivered through American Job Centers, making it one of the clearest points of overlap between the UI system and the workforce infrastructure.

RESEA targets claimants most likely to exhaust their benefits before finding work. For those individuals, digital readiness is often an unaddressed barrier. Completing online job applications, accessing labor market information, navigating virtual career services, and managing digital correspondence with employers are all tasks that assume a baseline of digital competency that many UI claimants do not have. When that baseline is missing, the speed and quality of reemployment suffers regardless of what other services are in place.

That makes digital readiness relevant not just to training outcomes but to the reemployment results RESEA is specifically designed to produce. For digital skills organizations seeking to connect with this program, the entry point is typically the state UI agency's RESEA coordinator or the local American Job Center director. Because states submit annual service delivery plans to operate their RESEA programs, the most effective moment to propose integration of digital readiness services is during the state's planning cycle, before the annual plan is finalized.

Performance accountability

Understanding how performance is measured in this system is essential, because performance accountability is the clearest argument for the system to invest in digital skills programs.

WIOA establishes a common set of [performance indicators](#) that apply across core programs: employment in the second and fourth quarters after exit, median earnings, credential attainment, and measurable skill gains. The fifth indicator, Measurable Skill Gain (MSG), tracks documented progress — academic, technical, or occupational — toward a credential or employment during the program year. It is the indicator most directly relevant to how digital skills organizations demonstrate value inside this system, and its mechanics are worth understanding before approaching a workforce board.

States negotiate performance targets with federal agencies, and local systems are evaluated against those benchmarks. Strong performance protects formula funding and unlocks incentive grants. Sustained underperformance triggers corrective action and, in serious cases, financial sanctions.

Digital readiness touches every one of these indicators in direct, measurable ways. Participants who lack foundational digital skills are less likely to complete training, less likely to earn credentials, and less likely to hold down employment once they find it. Conversely, organizations that can demonstrate real gains across skill attainment, credentialing, and job placement give workforce agencies an institutional rationale to sustain and grow those partnerships. That kind of participant tracking is demanding work, and not every organization can maintain it. Those that do can demonstrate the impact digital skills programs have on the metrics workforce agencies are measured on. That proof is the financial logic this chapter is built on.

Section 2: Where to enter the system

Most digital inclusion organizations do not enter the workforce system through a single door or funding stream. The more realistic path is iterative, starting where you can, demonstrate value, and build from there. This section maps the main entry points, structured in order of accessibility. Not every pathway will be available to every organization from the outset. Some, like initiating a conversation with a local Workforce Development Board, are within reach for most organizations, especially those that already have outcome data. Others, like negotiating a SNAP E&T state plan amendment or building a subcontract with an adult education provider, require more organizational groundwork, partnership building, and time. Start where you are strongest, build a track record, and let that open the next door.

Tier 1: Local Workforce Boards

Local Workforce Development Boards (LWDBs) are typically the most accessible entry point. WIOA requires local boards to identify strategies to serve individuals facing barriers to employment. As workforce services move online and adopt hybrid models, digital literacy has become essential for participants to complete enrollment, navigate training platforms, and engage with career services. Without it, boards face lower participation, weaker performance outcomes, and increased staff burden.

LWDBs control Title I workforce training funds and determine which providers may receive WIOA-supported tuition or deliver services. When digital skills are positioned as foundational to in-demand sectors such as healthcare, manufacturing, IT, or logistics, they can qualify as part of approved career pathways. Providers who document alignment with WIOA's core outcomes — employment, credential attainment, and measurable skill gains — are better positioned for sustainable partnership.

There are two distinct pathways for accessing LWDB funding:

The first pathway is the Eligible Training Provider List (ETPL), which allows organizations to receive WIOA funds through Individual Training Accounts (ITAs). ITAs are the mechanism by which eligible participants choose and fund their own training, with payment made directly from the workforce agency to the provider. ETPL status is governed at the state level. Though open to community-based organizations, the education-sector certification requirements and reporting frameworks can be a challenge. ETPL status requires ongoing outcome reporting: employment rates after exit, median earnings, and credential attainment must be submitted every two years, which means having robust participant tracking systems in place.

The second pathway is through direct contracts. Providers of customized training, on-the-job training, and incumbent worker training are [not required to be on the ETPL](#) and

can receive WIOA funds directly through a contract with the local board. This can be a more feasible starting point for digital skills organizations not yet positioned for ETPL status. It requires a working relationship with the local board and a program scoped to workforce priorities, but does not require the same level of data reporting infrastructure as formal ETPL eligibility. Many boards are actively looking for community partners who can help them improve on performance numbers. Coming prepared with outcome data and a clear connection to their existing sector priorities will go a long way.

How WIOA measures progress shapes which pathway makes sense for community organizations. WIOA's Measurable Skill Gain (MSG) indicator has five recognized pathways for documenting participant progress. The most familiar is advancement through National Reporting System (NRS) Educational Functioning Levels, designed for Title II adult education grantees. It requires NRS-approved assessments, certified test administrators, and access to state-managed data systems — infrastructure most community digital skills organizations do not have.

Most community digital skills organizations already run pre- and post-assessments. The barrier is not whether skill gain is happening but whether the evidence is structured in a way the workforce system can count. Under a direct contract, the relevant WIOA pathways are MSG Types 4 and 5, which recognize progress toward provider-defined milestones and passage of technical skill benchmarks. Neither requires NRS-approved assessments or state data system access. The commonly used Northstar Digital Literacy assessments fit both pathways well. They produce standardized, verifiable evidence of skill gain that a workforce board can stand behind in its own accountability reporting. Organizations that arrive at a workforce board with Northstar pre/post data, a defined curriculum, and a proposal tied to the board's sector priorities are offering something the board can use. This is a strong opportunity for community technology organizations and is often better aligned than the ETPL pathway previously described.

Action steps:

- Meet with the local Workforce Development Board to understand current sector priorities and identify where digital readiness gaps are most acute
- Propose a direct contract arrangement first; come with outcome data and a program framed around the board's existing pathways, not as a standalone initiative
- If pursuing ETPL status, assess your participant tracking infrastructure early and know that outcome reporting is ongoing, not a one-time requirement
- Align curriculum to Northstar Digital Literacy, the most widely recognized standards framework for foundational digital skills
- Define program milestones explicitly in the contract: completion of specific Northstar modules, pre/post assessment scores, or documented progression into

an occupational training pathway. This is how participant gains become evidence the board can use for MSG Type 4 or Type 5 reporting

The employer's stake in this equation is also worth understanding. Research [has found](#) positions requiring digital skills offer approximately 5.8% higher pay than comparable roles which do not, and workers in roles requiring at least one digital skill earn on average 23% more than peers in non-digital roles. For workforce boards accountable to employer partners, that wage premium is direct evidence that digital readiness improves the quality of placements. A 2022 [Gallup and AWS study](#) found that organizations employing more advanced digital workers were 44% more likely to report steady annual revenue growth of at least 10%. Employers therefore have a financial incentive to support workforce pipelines that build foundational digital readiness before candidates arrive at their door.

Tier 2: SNAP E&T and TANF

For organizations serving low-income populations, SNAP [Employment and Training](#) (E&T) and Temporary Assistance for Needy Families (TANF) offer meaningful co-investment opportunities. Both require more administrative groundwork than the LWDB pathways above, but the funding logic is well-suited to digital skills programming.

SNAP E&T is designed to improve the employability of SNAP recipients. Job search, employer communication, onboarding, and workplace tasks now occur largely in digital environments. When participants lack foundational digital skills, employment outcomes suffer. Hence digital literacy instruction strengthens SNAP E&T core objectives.

The program's 50% federal reimbursement mechanism provides an opportunity for co-investment. In such a partnership, a digital inclusion organization would deliver training using external non-federal funds and then recover half its program costs through the 50% federal reimbursement which flows through the state SNAP E&T agency. In practice, this means the organization delivers the service, the state claims the federal match, and the recovered funds flow back to the organization through its funding arrangement with the state.

The training component must be approved in the state's E&T plan before services begin. Participants must be SNAP recipients formally assigned to the E&T component by the state agency, not self-referred. Costs must be allowable under federal guidance, meaning they cannot exceed what is charged to the general public for equivalent services. Organizations pursuing this pathway should work closely with the state SNAP E&T administrator to get the component approved and establish compliant billing practices and documentation well before services launch.

A partnership like this requires your organization to have solid participant tracking, documentation infrastructure, and ideally an existing relationship with the state workforce agency before the conversation turns to funding. It is worth investing in these foundations now, even if it takes 12 to 18 months to secure a reimbursement agreement.

Action Steps

- Contact the state SNAP E&T administrator to clarify allowable activities and the process for including a digital skills component in the state plan
- Confirm that your participant population includes SNAP recipients and assess your documentation capacity
- Explore third-party partnership opportunities under the reimbursement model

TANF provides flexible [block grant funding](#) that states use to support employment preparation and work participation. Digital literacy can be positioned as job search preparation, employment readiness, or barrier reduction. TANF guidance explicitly encourages states to identify and address barriers to workforce participation, and digital access increasingly qualifies on the same terms as transportation or childcare. Because TANF policies vary significantly by state, understanding local priorities before making a proposal is essential.

Action Steps

- Meet with local human services agencies to identify employment priorities
- Propose digital skills as part of work-readiness programming
- Align outcomes reporting with TANF participation requirements

Tier 3: Adult education and CTE

Major skill-building investments extend beyond workforce agencies alone. WIOA Title II funds [adult education and literacy](#) programs through the Adult Education and Family Literacy Act (AEFLA), which often serve as the first point of contact for adults who are not yet ready for occupational training. [Perkins V](#) funds credential-bearing Career and Technical Education (CTE) programs at community colleges and technical schools, distributing roughly \$1.3 billion annually to states for programs aligned with in-demand occupations.

For adult education providers, [digital literacy](#) is both an instructional objective and a structural necessity. Programs increasingly rely on digital tools for instruction, assessment, and learner persistence. Participants who lack foundational skills struggle to transition into credential-bearing programs. Strengthening digital readiness improves measurable skill gains and supports alignment with career pathways, which are the outcomes Title II providers are accountable for.

For Career and Technical Education (CTE) programs, the case is similar. Whether in healthcare, advanced manufacturing, logistics, or business services, digital tools are now embedded in everyday occupational practice. Digital readiness improves student persistence, credential completion, and alignment with employer expectations across CTE pathways.

The entry point here is typically a subcontract or partnership with an existing Title II or CTE provider rather than a direct funding relationship. For community colleges and adult education nonprofits already inside the system, a digital skills organization that can demonstrably strengthen their performance outcomes has a clear case to make.

Action Steps

- Identify Title II adult education providers and community college CTE programs in your area and request conversations with workforce or program leadership
- Explore subcontracting or partnership opportunities with Title II providers
- Develop a digital bridge or pre-enrollment program proposal tied to an existing CTE pathway and its performance indicators
- Integrate digital skills into bridge or Integrated Education and Training (IET) models where possible
- Align reporting with WIOA measurable skill gain requirements from the outset

Section 3: Co-investment partnerships in practice

Section 2 described the entry points for digital skills organizations. Accessing them requires making the case to a workforce board director, a state agency administrator, or other key decisionmakers that investing in foundational digital skills partnerships is in their institutional interests. This section illustrates what co-investment can look like in practice to help ground that conversation.

Byte Back: A case study

Byte Back was a Washington D.C.-based nonprofit that offered free digital literacy training from 1997 until its closure in 2024. Its Computer Foundations 1 (CF1) course provided one of the [clearest available examples](#) of how foundational digital literacy can function as workforce infrastructure rather than peripheral support.

The 24-hour course delivered job-oriented instruction in core digital competencies including email, file management, videoconferencing, Microsoft Word, and online job search. Participants were loaned laptops and internet hotspots during enrollment. The participant population faced substantial labor market barriers: 87% were unemployed at intake, 43% had been unemployed for more than a year, average household income was around \$8,000, and 72% were receiving public benefits. Nearly all participants were people of color and 62% held only a high school diploma.

Results

The RAND Corporation produced an [independent program evaluation](#), funded by the WorkRise Network at the Urban Institute. Within approximately two months of course completion, daily computer use increased from 34% to 62%, and employment nearly tripled, from 14% to 41%. Among employed participants, those earning more than \$20,000 rose from 45% to 68%, and the share earning between \$40,000 and \$60,000 doubled from 15% to 29%.

The study's lack of a control group, limits the strength of causal claims. That said, the evaluation does establish that a population with significant and sustained barriers to employment experienced meaningful labor market improvement within two months of completing a 24-hour course. That is a signal worth taking seriously, even without a randomized design. The District of Columbia's [State Digital Equity Plan](#) notes two-thirds of Byte Back's participants were referred by the District's Department of Employment Services, indicating a functional integration between public workforce services and nonprofit digital delivery, a model that workforce agencies can replicate.

Funding sources

Byte Back's [operating costs](#) were covered through a mix of government contracts, private foundations, corporations, and individual donors. The primary public funding during the

pilot period came from DC's Department of Employment Services which awarded Byte Back a performance grant of up to \$250,000 annually for occupational skills training. That funding relationship illustrates the broader Tier 1 dynamic described in Section 2: a community-based digital skills provider operating in direct relationship with a workforce board, outside the formal ETPL/ITA pathway, with documented employment outcomes as the basis for continued and expanded funding.

The public return calculation

Extrapolating from the Byte Back example, there is a strong economic rationale for workforce development investments in foundational digital adoption. Improvements in employment and earnings directly strengthen WIOA's [core performance indicators](#), including employment rates and earnings. For workforce agencies operating under negotiated performance targets, such gains contribute to revenue protection and eligibility for performance incentives. Given that more than 70% of Byte Back participants relied on public benefits at intake, employment gains also carry reduced public assistance dependency and increased taxable income.

The following calculation applies publicly available benefit and tax data to a hypothetical cohort modelled on Byte Back's participant profile, intended to illustrate the potential public return. The figures depend on assumptions about benefit uptake, employment duration, and earnings stability that will vary by program and population.

Illustrative example of the economic returns

To illustrate the scale of public return, consider a cohort of 100 participants with a demographic profile similar to Byte Back's. At intake, 72% are receiving public benefits. By program end, employment has nearly tripled. That rise in employment leads to 1) lower public benefit costs and 2) higher tax revenues.

Benefit reductions. When participants enter employment, some exit public benefit programs. The FY2024 average SNAP benefit was \$2,246 per recipient annually. If 60% of participants receive SNAP at intake and 20% of those exit the program following employment, that generates roughly \$26,950 in annual savings. SSI follows a similar pattern: the average federal SSI payment runs \$8,360 annually. If 15% of participants receive SSI and 10% experience a full-year benefit reduction following employment, that adds approximately \$12,540. Together, benefit reductions come to roughly \$39,500 per cohort per year.

New tax revenue. Benefit reductions are only part of the picture. When participants enter the workforce, they start generating tax revenue that did not exist before. If 27 of the 100 participants find employment earning between \$25,000 and \$30,000, their combined annual earnings range from \$675,000 to \$810,000. A combined effective rate of approximately 20%, reflecting the 12% federal income bracket for that earnings level plus

the employee-side FICA contribution of 7.65%, produces an estimated \$135,000 to \$162,000 in new annual tax revenue. That estimate is conservative as it excludes state income tax and employer-side FICA contributions entirely.

The return. Add benefit reductions to new tax revenue and the annual public return reaches approximately \$175,000 to \$200,000 per cohort of 100.

The cost. Real-world programs show that foundational digital skills training with device support runs \$800 to \$1,000 per participant. Tech Goes Home in Chattanooga and Ashbury Senior Computer Community Center in Cleveland both report all-in costs of around \$800. Using \$1,000 as a conservative ceiling, a cohort of 100 costs \$100,000 to serve. That is well below the [average WIOA training expenditure of approximately \\$2,400 per participant](#) reported by the Congressional Research Service for program year 2023.

Against a public return of \$175,000 to \$200,000, a \$100,000 program cost more than pays for itself in year one alone. And year one is where the math stops in this illustrative calculation. As participants sustain employment and earnings grow, the public return continues accumulating against a cost that has already been spent.

Program cost	Estimated public return	Return ratio
\$100K	\$100-200K	1.75-2x
100 participants at ~\$1000 each	Year one, benefit savings + tax revenue	In year one alone

Why social program savings matter to workforce agencies

Even if workforce agencies do not receive SNAP/SSI savings as a direct transfer, demonstrating reduced reliance on public benefits can strengthen the case that workforce investments generate public value. That can support state appropriations for workforce initiatives, governor's discretionary allocations, and cross-agency investments. This is especially salient as SNAP cost-sharing rules are changing and states/counties may face larger [administrative cost burdens](#).

These investments also deliver operational improvements. As workforce systems digitize, with more remote case management and online job search and learning tools, participants need to be able to use them. When individuals cannot navigate systems independently, the administrative costs increase as frontline staff are called to intervene more frequently. Digital skills training reduces that friction, with fewer incomplete applications, recertification failures, help-desk interactions, and missed appointments. The result is improved participant outcomes and measurable institutional efficiency. For a workforce board director managing staffing constraints alongside performance targets, that operational argument can be persuasive.

Section 4: Integrating digital literacy training into the system

The workforce system already operates within a braided funding environment governed by shared performance accountability under WIOA. Digital readiness can be embedded within this structure in multiple ways, each representing a different level of institutional commitment.

These pathways can be understood along a continuum, from immediate contracting strategies that leverage existing community capacity, to internalization within workforce agencies themselves, to broader state-level integration that treats digital advancement as public infrastructure.

Contracting with community organizations

The most immediate pathway is structured contracting between Local Workforce Development Boards and community-based digital skills providers. This approach builds on existing procurement authority under WIOA Title I and related programs. Local boards routinely contract with service providers to deliver career services and training aligned with in-demand sectors. Digital readiness can be positioned as a foundational component of those pathways.

Workforce systems often struggle with participant onboarding, recruitment in underserved communities, and persistence in hybrid training environments. Community technology centers and digital inclusion nonprofits frequently maintain trusted relationships in precisely those populations that workforce systems seek to reach. Contracting partnerships allow workforce boards to leverage that trust as recruitment infrastructure while strengthening participant preparedness by recognizing and funding what community organizations already do well.

The value proposition is reciprocal. Workforce boards improve measurable skill gains, credential attainment, and employment outcomes that protect and enhance performance-tied funding. Digital skills organizations gain a more stable revenue stream through formal contracts, subcontracts, or reimbursable service arrangements embedded in existing WIOA, AEFLA, SNAP E&T, and TANF funding structures.

Action Steps

- Map the local workforce board's current provider gaps and identify which sector pathways your digital skills curriculum could strengthen
- Request a meeting with the board's workforce director or program manager to propose a contract arrangement; come prepared with outcome data
- Build participant tracking systems from the outset, even under a direct contract. Documenting Northstar pre/post scores, module completion, and progression into

occupational training pathways is what makes performance claims credible to a workforce board — and your organization to deepen the partnership or pursue ETPL status over time

Building digital readiness into agency operations

As digital intake systems, online job search platforms, and hybrid training models become standard, foundational digital competency increasingly resembles orientation or assessment rather than optional enrichment. The practical question is no longer whether workforce agencies need to address digital readiness, but whether they do so through ad-hoc referrals or make it core to how they serve participants from the start.

Under an internalization model, workforce agencies embed digital readiness within standard intake, career services, or co-enrollment processes. Participants complete structured digital competency modules before or alongside occupational training. Agencies may employ digital navigators, integrate digital proficiency assessments into case management, or standardize digital literacy benchmarks across programs. In practice, this often means partnering with a community-based digital skills provider to serve as the entry point for more advanced workforce training.

Tech Goes Home in Chattanooga, Tennessee operates this way. **Executive Director Sammy Lowdermilk** describes the model: "We pair Tech Goes Home with apprenticeship and certification programs as the on-ramp. Participants build their foundational digital skills first, so by the time they start occupational training, they already know how to use a device."

The value of Tech Goes Home extends beyond service delivery. For example, when a local workforce agency invested in a data analytics apprenticeship program, initially they had just three applications. When Tech Goes Home shared the opportunity with its graduate network, applications grew from three to over 250. While the workforce investment was sound, the agency needed a trusted community intermediary to connect with the people it was designed to serve. Community-based digital skills organizations often have relationships that workforce agencies lack.

For organizations seeking to propose this model to a workforce agency, the most effective approach is to lead with the agency's own performance targets. The institutional value of this approach lies in operational stability. Reduced administrative burden, improved virtual service use, and stronger completion rates directly support performance accountability under WIOA's common indicators. By internalizing digital readiness through direct delivery or structured referral partnerships with community providers, agencies gain increased control over a foundational determinant of workforce participation.

Action Steps

- Offer to conduct a digital readiness assessment of the workforce agency's current participant population, presenting findings to leadership as a case for embedding a structured digital readiness module into intake or orientation
- Propose a pilot with measurable outcomes tied to WIOA performance indicators, framing the arrangement as a way for the agency to improve credential attainment and employment rates while reducing staff burden on basic navigation support
- Document administrative efficiency gains alongside participant outcomes so the agency can make the internal case for sustained or expanded funding

State-level infrastructure

The most ambitious pathway extends beyond individual agencies. As digital participation becomes essential not only for employment but for education, health access, and public benefit navigation, states have established broadband and digital opportunity offices with connections to workforce infrastructure. Several states (Massachusetts, Washington State, and others) are working toward integrating digital adoption within the workforce development and continuing education ecosystems.

Under this model, a state designates a dedicated digital advancement function, housed within or formally connected to the workforce agency, with responsibility for coordinating digital readiness services across the state's workforce and adult education infrastructure. This looks like digital navigators and digital skills instructors being embedded within or formally partnered with American Job Centers, community colleges, and adult education providers. Participants encounter digital readiness support at the point of entry into the workforce system, not as a referral after problems arise. Funding flows through the same braided structure that supports the rest of the workforce system, drawing on WIOA, adult education, broadband equity, and state general funds in combination. States are moving in this direction.

Massachusetts launched the [Digital JEDI Consortium](#) in 2024, a MassHire workforce board-led initiative that deploys digital navigators across 22 community partner organizations spanning 40 cities and towns. The program is explicitly designed as a workforce pipeline, with navigators gaining credentials and experience leading toward IT, cybersecurity, and community health careers, treating the navigator role itself as a career pathway, not just a service delivery mechanism.

Washington State's Workforce Training and Education Coordinating Board launched the [Workforce Digital Pathways Initiative](#) in 2024 with direct state legislative funding. The initiative sits inside the workforce system rather than a broadband or technology office, and includes a statewide digital literacy curriculum and credential, career pathways into IT and IT-adjacent jobs, and a pilot program preparing incarcerated individuals for digital

economy employment. It is among the clearest examples of a state workforce agency treating digital readiness as a workforce function.

Neither model represents the fully integrated infrastructure described above, yet what Massachusetts and Washington are doing demonstrate how structural connections can be made and how digital readiness can move from grant-based programming into the core of how a state workforce system operates. And when states treat digital readiness as workforce infrastructure, the result is a system that reaches more workers, produces stronger outcomes, and makes better use of the public investment already flowing through it. That is the case this chapter has been building and the opportunity that practitioners, agencies, and funders have ahead of them.

Conclusion

For digital skills organizations reading this, your best starting point is understanding the local workforce board's sector priorities and performance gaps. That tells you which door to knock on and what to say when you get there. Some of these conversations will happen faster than you expect. Others will take longer, require new organizational infrastructure, or depend on a state plan cycle you did not know existed. This is a reason to start now, with the entry point that fits where you are today. For most organizations, the path will begin with a direct contract, continue with building the outcome data, and let the partnership deepen from there. The workforce system responds to evidence. Organizations that can speak its language and frame their offerings in terms of workforce incentives will more successfully build co-investment partnerships.

But the larger argument here is not just about how digital skills organizations can access workforce funding. It is about how the workforce system integrates digital adoption as a core function. A system that assumes digital readiness rather than building it will keep losing participants before training begins, before credentials are earned, before employment is sustained. The co-investment case is straightforward. Foundational digital skills training is relatively inexpensive, generates a measurable public return, and strengthens the outcomes the workforce system is already accountable for.

The financial logic and entry points are there. What the field needs now is organizations willing to build pilots and workforce partners willing to back them.

The series

The Framework, *Samantha Schartman & Brian Vo*

The case for change and the financial framework the series is built on, including Connect Humanity's approach to structuring co-investment partnerships.

connecthumanity.fund/alt-funding-guide/framework/

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Get in touch

If you are a practitioner exploring co-investment partnerships, a sector partner thinking about how this framework applies to your organization, or a funder considering supporting pilots, let's talk: info@connecthumanity.fund

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