



ISAs in Workforce Development: Feasibility Questionnaire

Prior to launching an ISA program, it is critical to perform a feasibility assessment to ensure that the ISA is the right tool to meet the need. Feasibility should be looked at across the below five categories, as a mechanism to uncover the strengths and weaknesses of the proposed approach, opportunities and threats present in the local environment, the resources required to carry through, and ultimately the prospects for success. Boards will need to carefully balance participant-centric design with the cost required and value desired by a broad stakeholder set.

Categories to Consider in Assessing Feasibility



In designing your program, workforce boards are encouraged to assess each of the following elements and develop an action plan which is responsive to any gaps.

Program selection

As ISAs are reliant on a participant’s ability to successfully generate income after completion, it is critical to have not only a clear view of who you seek to serve but why so that the intervention can be designed to effectively meet participant needs at the lowest cost to the participant and the workforce board.

Question	Consideration
Specific: Are you able to articulate a specific, identifiable challenge, need or population?	The most successful ISA programs are linked to a clear, locally connected use case, not a broad set of national concepts. Moving into the design phase without articulating a clear need can waste time, increase costs, and make buy-in difficult. For example, “providing students with additional choice” is desirable but too broad to result in a well-designed ISA program without knowing which students, why they need choice and how they will be helped by it.
Outcomes: Have you identified what success looks like to you?	Define what a quality credential (if building a learning-related program) and a quality job look like for your local area, see example here of San Diego’s job quality framework . Uses these frameworks as a guideline to achieve consensus on the desired impact of the program. Reference these frameworks again as you build out the design, funding, and evaluation to make sure every aspect of your program, from partnerships to data collection, is centered on achieving your goal.

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Question	Consideration
Urgent: Is there urgency around solving this challenge, meeting the need or serving the population?	ISA programs require a great deal of investment up front as they generally demand a significant shift from standard operations, particularly when implementing one for the first time. Consider whether a) the timing is right to start this endeavor b) this is highest and best use of staff, funder and partner time based on the urgency associated with the need.
In Demand: Is the market demanding this skill/resource? If so, is demand substantiated both by labor market data and by employers?	While lifelong learning is valuable, not all programs are linked to increased earnings potential. Additionally, data often tells only part of the story. Consider engaging in employer conversations to ensure that the challenge you are seeking to solve rises to the scale of designing a new programmatic intervention. For example, the hospital system may have a shortage of nurses according to the data but conversations with local employers will reveal whether there aren't enough programs preparing students, the employer has challenges attracting talent or the limitation is actually related to clinical hours.
Aligned: Is the solution needed to solve this challenge or serve this population related to a lack of access to financing?	ISAs are fundamentally a financing mechanism aimed at equalizing access. Challenges related to partner collaboration, lack of access to data, recruitment gaps, etc. may be secondarily impacted but are not the primary focus of an ISA.
Necessary: Have other mechanisms to address this challenge been explored and/or exhausted?	ISAs, like other funding mechanisms, have their own challenges and restrictions. Before embarking on a design process, it is important to understand up front if the ISA is really the best tool for the challenge or if it is simply attractive because it is new. Innovations often bring new funders to the table, but innovation will eventually transition to operations; make sure to consider how the program will align with the rest of your services when it moves out of pilot.

Program Design

While program selection sets out a broad strategy for your ISA work, the design phase is intended to establish a detailed approach to reach your goals. It is at this stage that workforce boards should consider all the services needed to achieve success and how they will fit together.

Question	Consideration
Responsive: Is the program being designed with direct input from those it will serve?	A workforce ISA should utilize a human-centered design framework, directly engaging those it intends to serve in the design process and creating feedback mechanisms which allow for continuous improvement once operational. Programs that do not incorporate community feedback will have blind spots which may cause delays in implementation or a misalignment with the need. Feedback can be collected through surveys, focus groups, one-on-one interviews or other mechanisms.

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Question	Consideration
Protection: Is participant protection at the core of the program design?	Workforce boards are charged with the care of some of the most vulnerable individuals in the community. While ISAs can be an important tool to advance economic mobility, without appropriate protections, they also subject these same populations to risk. Be aware that the ISA terms that are best for participants may not always align with investor's needs (e.g. lower return, longer timelines). For more specifics, see the Statement of Principles .
Equity: Have you determined how you will ensure equity in the process?	Workforce boards are on the frontlines in confronting gaps in equity and inclusion in public benefits, education programs and other community resources. In almost all cases, the need is greater than the supply and we are forced to make choices. As you structure the board, underwriting and support for your program, determine up front what guardrails you will use to ensure equity of access. This includes considerations for the use of credit scores, work history, zip code, and prior education, amongst others. Setting your north star in the design process will avoid undue influence from others at the funding, empowering you to turn down funds which do not align with your equity goals.
Collaboration: Have all the stakeholders been engaged in the process? If so, are their individual goals readily understood and aligned?	To achieve buy-in and avoid re-work, it is crucial to engage those who may be affected by the decisions or can influence the implementation of decisions early in the process. However, while engagement is key to make sure there will be a market for the ISA product once launched (e.g. education providers will use it, students will sign it); boards are encouraged to retain control of ISA design to ensure guardrails for participant protection are strong, even if contracting out aspects of service delivery.
Environment: Do you understand the local legal and regulatory framework?	ISAs are currently unregulated at the federal level, but several states have implemented provisions which impact what is permissible. Additionally, as the regulatory environment is rapidly evolving, determine how you will stay abreast of changes and what go/no go decisions points you will include to de-risk the effort. It is highly recommended to engage legal counsel in the review of contract terms for students and providers.
Support: Have all the supports necessary for success been included? If not included, are they addressed through other means?	Even the most carefully designed programs will fail if key supports are missing for populations in need. Clearly identify where the ISA program will leverage resources from or referrals to other services your organization provides. Pose "how might we questions" to help iterate through the design until comfortable that the program is structured to support a successful outcome not just common workforce outputs such as entered training or employment.

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Question	Consideration
Source: Which portion of the process will you insource, which will you outsource?	An ISA program is made up of diverse facets from fund raising through program design, capital stack management, contract origination and servicing, to program execution, monitoring and evaluation. Consider which aspects of the process, if any, your organization will deliver directly, how outsourced support will be procured, and how service providers will intersect with an each other to create both a seamless participant experience and transparent oversight processes for the board.

Program Funding

As you look to capitalize your ISA fund, diversification will become a key consideration. The way you achieve a diverse capital stack is directly tied to your vision for how the fund operates over the long term. Three primary types of operating models have emerged to date: subsidized, evergreen, return seeking.

Question	Consideration
Structure: What is your desired model for the fund?	As each funding source comes with its own set of rules, regulations, and processes, carefully evaluate your desired model up front to ensure the funding aligns with your intent. For example, funds from an impact investor may not be well aligned with an evergreen model that aims to reinvest all the earnings to increase the number of individuals served.
Structure: Is your entity able to accept the type of funding desired?	Not all workforce boards are structured in the same way. While a diversity of funding sources are available in the market, the legal structure of the receiving organization may limit eligibility and may require either partnering with or setup up of a separate entity to accommodate funding requirements. For example, a government entity may not be well positioned to accept impact investment capital due to local policy restrictions or risk postures.
Costs: Have you considered all the costs of operating the ISA?	As you structure your fund, keep in mind the related costs which will be incurred both during the initial phase as well as over the life of the program (e.g. fund administration, third party evaluation, contract negotiation, MOU establishment, marketing and communications, legal and policy consultants, complaint resolution, collections for non-payment, impact reporting). Determine whether these costs can be accommodated in the organization’s existing budget, will be baked into the ISA itself or will be covered through a grant or other one-time investment.

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Question	Consideration
<p>Terms: Do you understand how your ISA terms interact?</p>	<p>An ISA is fundamentally a contract. Core terms of an ISA contract include the payment cap, payment term and payment window, income share and income threshold and APR cap (if using). The interplay between these terms can dramatically influence not only the student's repayment requirements but also the types of capital best suited to the program you are creating. For example, impact investment capital seeking at 6% return in the short term would not be well aligned to a design predicated on a low APR cap with a multi-year repayment window. To model your desired set of terms, see the Workforce ISA Modeling Tool.</p>
<p>Access: Are your proposed underwriting requirements aligned with the commitments to an equity-based, participant-centered approach you made during program selection?</p>	<p>The approach used to underwrite your ISAs will dictate who receives access to the product. While slots in the program may be limited, particularly in a start-up phase, make sure to cross reference the criteria you develop for selecting to participants with the intended goals of the program. For example, if your intent is to provide educational access to those in poverty, an underwriting mechanism which requires credit scores may block out those you aim to serve.</p>
<p>Human Capital: Do you have the right expertise on your team to manage the fund?</p>	<p>Fund management is a skill which sits outside of most workforce board's core competencies. Determine if the organization has the expertise in house to manage the complexities of the fund and, if not, how such support will be obtained. This could be achieved through strategic partnership with local organizations skilled at managing diverse capital stacks or through procurement of key services.</p>
<p>Funding Levels: Does your desired pace of scale account for potential risk?</p>	<p>Many programs start with a pilot and then expand; however, most funders are ultimately interested in scale and replicability. Building a pipeline to deploy capital, even once the program is structured, or bringing online new ISA products, often takes longer than expected. Lay out conservative timelines for ramp up to provide space for learning and market fluctuations, as well as mitigate risks.</p>
<p>Strategy: How does the funding approach fit with your organizational funding strategy?</p>	<p>Consider where the ISA funding approach sits within your larger ecosystem. The type of supports, processes and risk mitigation strategies you build may look very different if the ISA funding is viewed as a revenue generation mechanism for the organization vs. an individual project. If ISAs will become a central tenet of the workforce board's funding, consider what safeguards will be put in place to keep student protections vs. increased returns at the center of the fund.</p>

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Program Implementation

As you move to this phase, workforce boards are encouraged to consider the feasibility of their implementation approach from the lens of people, processes and technology. Standardized processes coupled with technology systems enable the program to be delivered in a repeatable manner, progress to be measured, and feedback to be collected to ensure equity and access for all.

Question	Consideration
Execution: Have you established clear roles and responsibilities?	Outline upfront how stakeholders should interface with each other and with participants. Keep in mind that while you may be bringing together multiple partners, consultants, and contractors to deliver the program, the experience should be simple and seamless for the participant. Consider how you can create a “no wrong door” approach so that participants quickly obtain necessary information without duplicative data collection or handoffs. Common areas of focus during execution include recruiting, enrollment, origination, service delivery (e.g. education, supportive services), and servicing.
Process: Do you have documented processes and procedures?	Standard operating procedures are invaluable in establishing a repeatable program. Consider documenting what, how, when, and why each program aspect should be used, this includes documentation to support the execution of the program as well as the launch or expansion of the program to other areas. Determine what portions of the materials are appropriate for release to participants, partners, and external parties including the media.
Technology: Do you have the necessary technology systems in place?	You will most likely need to invest in technology tools to support those executing the work as well as those served by it. Depending on the complexity of the tech needs, determine if you can build internal capacity to help reduce costs in this area. Consider the hardware, software development or implementation, subscription, and analytics capabilities necessary to launch, deliver, and evaluate your program. This could include everything from case management software to loaner laptops or online student portals. This may also include changes to your website to support the promotion of the program.
Human Capital: Do you have the right expertise on your team to implement the work?	Implementation will require a wide variety of skill sets to include recruitment, procurement management, fund management, accounts payable and receivable, and case management, among others. Consider which of the skills needed are aligned with your organization’s core competencies and how you will keep staff’s skills current over time. Transactional, commoditized skills such as servicing are often better delivered through a third party to leverage economies of scale.

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Program Evaluation

As you outline your approach to monitoring and evaluation, consider how you will build evidence-based practices into all aspects of the ISA program. Evidenced-based practices sit at the cross section of research, practitioner experience and participant feedback. Such practices encourage thoughtful collection and analysis of data to test assumptions before, during and after a program is completed.

In structuring your evaluation approach, workforce boards are encouraged to assess the following and develop an action plan which is responsive to any gaps:

Question	Consideration
Strategy: Have you articulated a clear theory of change (logic model)?	Theories of change should address the desired impact, the preconditions or requirements necessary to achieve them, any assumptions that are relevant to the approach, the intervention proposed as well as the outputs, short term and long term outcomes desired, and the mechanisms to collect the ensuing data. Achieving stakeholder buy-in on the theory of change will help to avoid rework later on such as missed data collection.
Access: Do you have access to all the necessary data to validate your theory of change? If not, how will you obtain it?	Review your desired outcomes to determine what, if any, additional data sets may be required. Establish consent processes up front with participants to provide flexibility in how you use and protect the data collected. Lack of consent can delay or complicate MOU negotiations downstream and may result in gaps in your data set.
Management: How will you ensure consistency across all parties involved?	Embed desired outcomes into contract requirements and verify that the necessary data are collected consistently both in house and by contractors. Consider whether training will be necessary for internal or external staff on new data systems, collection mechanism, or data sharing requirements.
Improvement: Has a mechanism for continuous improvement been established?	The ISA industry is evolving, and ISA programs must remain agile to respond to local needs. Build in flexibility to iterate as you establish contracts with training or service providers, keeping in mind that both participant needs and the labor market will evolve. Consider when and how you will collect data to determine if additional systems, processes, staff, or contractors are needed.
Human Capital: Do you have the right expertise on your team to evaluate the program?	Evaluation is a skill which sits outside of many workforce board's core competencies. Determine if the organization has the expertise in house to manage the complexities of the program and, if not, how such support will be obtained. This could be achieved through strategic partnership with local organizations skilled at performing complex evaluations or through procurement of key services.
Performance: Do you understand all stakeholder reporting requirements and expectations?	As you weave together a variety of funding sources you may be subject to wide ranging performance reporting requirements, timeframes, and format. Make sure to discuss reporting expectations up front to ensure that your systems are flexible enough to collect and assess the data over the life of the project.

For more information, visit workforce.org/outcomescenter.

The **Workforce ISA Learning Community** is a project of the San Diego Workforce Partnership in collaboration with Colorado Workforce Development Council, Commonwealth Corporation (Massachusetts), City of Minneapolis/City of Saint Paul/ Greater Metropolitan Workforce Council, New York City Economic Development Corporation/New York City Department of Small Business Services, Philadelphia Works, Inc. and Workforce Alliance of South Central Kansas Funding for this report was made possible by Lumina Foundation.

