

NYCETC

Workforce Thinking in Washington 2009

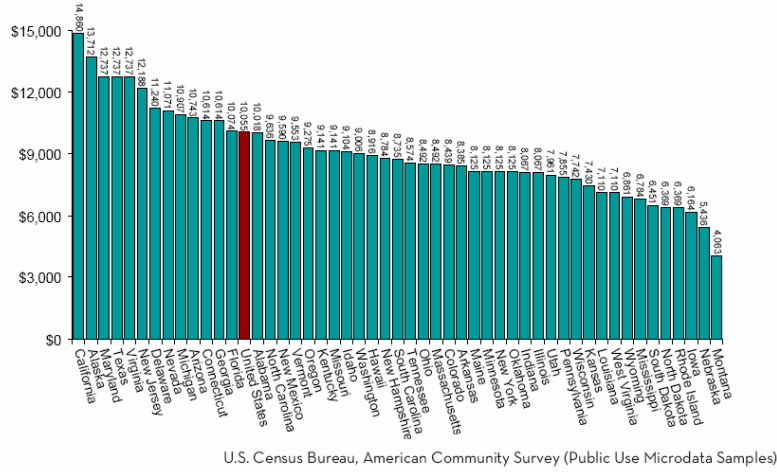
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What We'll Talk About Today

- Federal Workforce Legislation and Funding, but first....
- Three Reports shaping the legislative direction in D.C.
 - ***Preparing The Workers of Today for the Jobs of Tomorrow***
 - ***Working Learners***
 - ***America's Perfect Storm***
- Have they nailed the problem??
- Will their recommendations every really become reality??
- Will the funding support the vision??

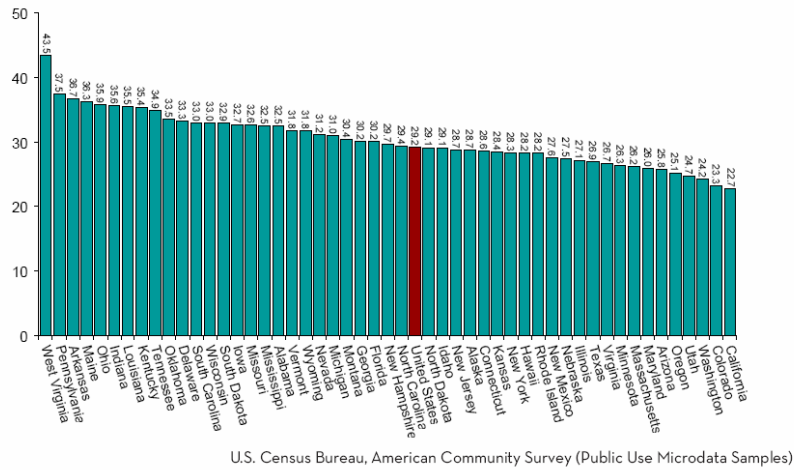
Earnings Gains HSD to Associate's

Figure 5. Difference in Median Earnings Between a High School Diploma and an Associate's Degree, 2006



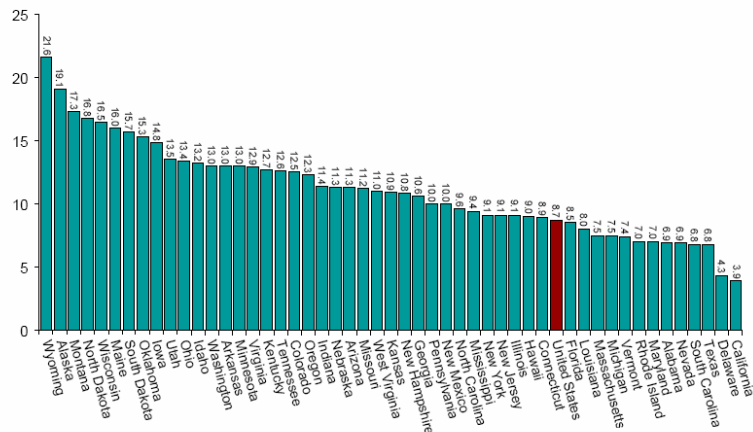
Adults Aged 25 – 64 HSG only

Figure 16. Adults Aged 25-64 with Only a High School Diploma but No College, 2006



GEDs awarded per 1,000

Figure 38. GEDs Awarded per 1,000 Adults Aged 25-44 with Less than a High School Diploma, 2005³



American Council on Education, GED Testing Service; U.S. Census Bureau, 2005 ACS (Public Use Microdata Samples)

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A Look at a Few Key Players

- Senator Tom Harkin (D – Iowa)
- Congressman Ruben Hinojosa (D – Texas)
- Congressman John Tierney (D – Mass)
- Congressman Brett Guthrie (R – Kentucky)
- Congressman John Kline (R – Minnesota)
- US Secretary of Labor, Hilda Solis
- Assistant Secretary ETA, Jane Oates
- Deputy Assistant Secretary, Gerri Fiala
- Assistant Secretary OAVE, Martha Kanter
- **Rahm Emmanuel** “**We must make a college degree as universal as a high school diploma. More than ever, America's success depends on what we can learn..** In this new era, college will be the greatest engine of opportunity for our society and our economy.”
- **Melody Barnes**, Domestic Policy Council (formerly Ctr for Amer Progress)
- **Martha Coven**, DPC Office of Mobility

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Jobs and Jobseekers, September 2009

- **USA-** 15 million jobseekers for 2 million job openings
- **NYS-** 805,000 jobseekers for 70,000 job openings
- **This is the current economy that we are trying to figure out how to get people better skills while we wait out recovery.**

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Jane Oates to State Liaisons – 8/09

- “These three reports are shaping our thinking & policy:”
- **Preparing The Workers of Today for the Jobs of Tomorrow**
<http://www.whitehouse.gov/administration/eop/cea/Jobs-of-the-Future/>
- **America’s Perfect Storm**
<http://www.ets.org/Media/Research/pdf/PICSTORM.pdf>
- **Working Learners**
http://www.americanprogress.org/issues/2009/06/pdf/working_learners.pdf

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Preparing The Workers of Today for the Jobs of Tomorrow

- July 2009
- Executive Office of the President- **Council of Economic Advisors**
- **“Occupations requiring higher educational attainment** are projected to grow much faster than those with lower educational requirements, **with the fastest growth among occupations that require an associate’s degree or a post-secondary vocational award.”**
- Elements of a more effective system include....close collaboration between training providers and employers to ensure that curricula are aligned with workforce needs; **flexible scheduling**, appropriate curricula, and **financial aid designed to meet the needs of students** ; incentives for institutions and programs to continually improve and innovate; and **accountability for results.”**
- A focus on **Health care and Clean Energy**

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Preparing The Workers of Today for the Jobs of Tomorrow

- **Skills for Good Jobs-** “most of the occupations highlighted in the previous section, such as aircraft mechanic and environmental engineering technician, offer wages that, on average, **are well above the median in our economy, and require at least some post-secondary training.”**
- In 2003...**a quarter of American workers were in jobs that were not even listed with the Census Bureau’s Occupation codes in 1967**
- The Conference Board also found that their survey respondents believed **most recent high school graduates lacked the basic skills of reading, writing, and math that were deemed necessary by employers.**
- Employers judged **nearly three-quarters of high school graduates as unable to write at a basic level**, for which competency includes knowledge of both spelling and grammar.
- Over the past two decades economists have carefully documented that **individuals earn about 10% more for each additional year of schooling they complete**
- In many respects **community colleges are the epicenter of the U.S. post-high school education and training system.**

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Preparing The Workers of Today for the Jobs of Tomorrow

- Research suggests that **WIA participants benefit from the program**, on average, although quality is uneven.
- A recent study found that **WIA training programs for adults boosted employment and earnings, on average**, although there was substantial variation across states. A similar pattern of results, with slightly smaller earnings gains, was observed for the dislocated worker program
- The **three components of the U.S. post-high school education and training system that focus on basic skills – adult basic education, GED, and English as a Second Language programs – are therefore critical** as they provide a means by which students age 16 and older and immigrants can improve basic skills in reading, writing, and arithmetic and English-language proficiency
- the **Federal system of job training could be much more effective.**
- Today- **Completion** is a major issue for **Community Colleges and Adult Basic Education.**

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Preparing The Workers of Today for the Jobs of Tomorrow

- A key factor impeding program completion is a lack of preparedness. In 2001 nearly **one-third of first-year college students in the United States needed to take remedial classes in reading, writing, or mathematics**, at an estimated **cost of over \$1 billion annually.**
- Among students who enrolled in community college, only **50%** of those that enrolled with the **goal of completing a certificate**, **47%** of those with a **goal of earning an associate's degree**, and **45%** of those that had enrolled with the **goal of earning a bachelor's degree** (or transferring to a four-year college) **actually fulfilled their goal or were still actively pursuing their degree.**
- A recent survey of **adult education programs** finds that over **25%** of adult learners enrolled in ABE, ASE, or ESL **leave before completing the program.**
- **costs figure prominently into the attendance and persistence** decisions of prospective students. Not only is tuition a burden but a **growing proportion of post-secondary students are non-traditional....**

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Preparing The Workers of Today for the Jobs of Tomorrow

- **Elements of a More Effective Post-High School Education and Training System –**
- Education is a **life-long endeavor**
- The foundation would be a **high quality early childhood, elementary, and secondary education** system.
- Post-secondary **students would have access to timely and appropriate financial aid** to help finance the cost of education and training.
- **education and training in such a system** would be provided in a **flexible manner with appropriate services to help students stay in school.**
- programs such as “Tech-Prep” and “2+2” that either allow students to acquire college credit while still in high school or to start a four-year (often technical) program during the last two years of high school and then continue through two years of community college can help to bridge the gap between secondary school and post-secondary education and training.
- **I-BEST** -Washington State’s Integrated Basic Education and Skills Training
- **Sector-focused training programs** ... are one promising approach

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Preparing The Workers of Today for the Jobs of Tomorrow

- Apprenticeship programs provide another excellent source of training
- **Federal job training system needs to be *simplified and made more coherent.***
- **Many of the components of the Obama Administration’s vision of a well-functioning post-high school education and training system cannot be achieved with the current, often conflicting and confusing, maze of job training programs spread across several Federal agencies.**
- While **it is easy to identify the need to simplify**, it is a far greater **challenge to streamline in a way that improves efficiency, maintains accountability, and reduces duplication of services but does not undermine the effective targeting of resources to populations in need.** Nevertheless, this is crucial to the design of a more effective system.
- Most **state funding formulas for institutions of higher education are entirely based on enrollment rather than on student outcomes.** This gives institutions an incentive to increase enrollments but does not hold them accountable for providing quality programs geared towards maximizing student success.

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Working Learners

- June 2009
- Louis Soares, Center for American Progress
- Full Title ***Working Learners: Educating our entire workforce for success in the 21st century***
- “What the president proposes... is but a **first step to address the nation’s need for a well-trained workforce and the needs of those who have entered the workforce but who require further education to get ahead. These “working learners” are now served by a system that is overly focused on crisis intervention at the point of unemployment and getting people back into jobs, and not focused sufficiently on the need for training and education.**”
- This (higher education system) system... is **ill-suited to workers who receive their education over longer periods during their work and family lives**, and during occasional gaps in employment.

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Working Learners

- On the other hand, **there is a more flexible workforce development system**, but it provides **an unstructured hodge-podge of training that often fails to lead to a well-conceived career path and that produces little in the way of meaningful educational credentials** for both the worker and the employer.
- **Change is clearly needed**
- (A new system) “to bring the 75 million potential working learners the skills they and our economy need”
- **New system needs:**
 1. Flexibility
 2. Credentials
 3. Coaching
 4. Resources

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Working Learners

Changes are needed in our postsecondary education system and our workforce development system:

1. Create a new **Micro Pell Grant** (additional \$2 Billion via savings)
2. Invest in community colleges
3. Modify Workforce Development programs-
 - **Align several funding streams under WIA** (to ensure education does not take a back seat to crisis intervention)
 - **Enhance the Employment Service and place it in charge of existing WIA one stop system** to run it as a **continuous career coaching center**
 - **Convert WIBs into a quality assurance overseer** to ensure that the partners in the new system adequately serve the needs of both employer and worker
4. Create a **new Office of Community College Innovation**

Builds upon Obama's Pell Grant & unemployment insurance proposals

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Working Learners

In an era when **higher education is more important than ever to working Americans**, many have only tenuous connections to a college education. Consider these facts:

- College graduates have higher incomes than those with lower educational attainment.
- In 2006, the average annual income for a **bachelor's degree** was **\$56,897**;
- an **associate's degree** averaged **\$39,846**; and
- a **high school degree**, **\$30,072**.
- A **typical associate degree recipient can expect to earn 28 percent more than a typical high school graduate**

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Working Learners

- **Workforce System is under-resourced focused on short-term training and job placement, and usually fails to offer recognizable college credentials that provide meaningful benchmarks of achievement with value in the job market.**
- Our workforce training efforts, which are funded each year under the **Workforce Investment Act of 1998**, are **an amalgam of 16 different categories of programs housed in four different government agencies**.
- At about **\$4 billion a year**, funding for these **WIA training** services is only **about a third of that invested in college programs such as the Pell Grant**, and it has **decreased 40 percent since 1985**.
- Today we have a **challenge and an opportunity**

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Working Learners

- The **United States also ranks 10th in sub-bachelor's degree attainment among its 25-to 34-year-olds**, a poor indication of the middle skills needed to begin a good career.
- Data show that **80-to-90 percent of participants in WIA programs are unemployed**, which means they are getting help when they are already in a precarious situation in terms of income to support themselves and their families.
- A 2005 report by the Government Accountability Office examining data from 2003 found that **local boards had approximately \$2.4 billion in WIA funds that were available to serve adults and dislocated workers but used only about \$929 million for training** activities
- **Fatal flaw, counting only WIA Title I- funded training, not training accessed at One Stops - JT**

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Working Learners

- **Working learners are individuals already in the workforce who currently lack a postsecondary credential** and are needed wage earners for themselves or their families.
- Among **those in the workforce between the ages of 18 and 64**, the **potential pool of working learners is an estimated 75 million Americans**.
- **National Assessment of Adult Literacy Skills (NAALS)**
<http://www.nces.ed.gov/naal/estimates/StateEstimates.aspx>
 - 14% of US working age are in NAALS Level 5 [illiterate]
 - **NYS = 22% Level 5**
 - [VT = 7%, MA = 10%, CT = 9%, NJ = 17%, PA = 13%]

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Working Learners

- **Working learners are diverse**. They include high school graduates and dropouts, those with low literacy and limited English speakers, and those with some college or training but with no postsecondary degree or credential. Three key commonalities:
- To obtain a postsecondary education these students **will most likely need to work and learn at the same time** or move between work and learning frequently.
- Because these **working learners are already active in the workforce** they are seeking to **build skills and offer credentials that employers will recognize and compensate**.
- To be successful in college-level courses, working learners will need developmental education to shore up literacy, numeracy, technology, English-language skills and college success skills.

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Working Learners

- From **1963 to 2005 enrollment at two-year colleges has increased over 600 percent**, eclipsing the increase in four-year enrollment which was only 200 percent.
- **Six years after students began** their postsecondary education, **62 percent of adult “employees who study”**—working learners who put their work before their studies, or in economic parlance have a high labor market **had not completed a degree or certificate and were no longer enrolled**, while 37 percent had achieved a degree or certificate.
- **WHY??** Many have rusty basic skills and struggle academically. They work in low-paying jobs and lack resources to invest in education.
- They **lack good information about labor market opportunities** and become frustrated at what their education is getting them.

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Working Learners

- Unfortunately, lessons from **WIA’s focus on job placement and short-term training** indicates that while these programs helped millions of workers find jobs and stay in the labor market they **do little to build the skills needed by working learners to boost their wages** as they move from company to company
- **In the 21st century, workforce development should not be about skills training alone but also the attainment of postsecondary credentials** to improve working learners’ ability to participate in today’s dynamic knowledge economy. **Working learners must accrue postsecondary credentials that employers recognize and value in order to be competitive for good-paying jobs that can help support a family.**
- The Institute for Higher Education Policy says that for **working poor adults**, those who enrolled in college faced **more than \$4,000 in unmet financial needs** after accounting for all forms of financial aid

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Working Learners

- In the **21st century, workforce development should not be about skills training alone but also the attainment of postsecondary credentials** to improve working learners' ability to participate in today's dynamic knowledge economy. **Working learners must accrue postsecondary credentials that employers recognize and value** in order to be competitive for good-paying jobs that can help support a family.
- **Streamline** the delivery of federally funded employment and training
- **Strengthen performance** accountability of training providers.
- Enable **job seekers to make informed choices** among training services.
- Enable **job seekers to make informed choices** among training providers and course offerings.
- **Enhance the private-sector role** in the workforce system.

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Working Learners

- Indicative of the **failure of most WIA programs** to help working learners is that **government funds that could be used for other key services such as career coaching are being used instead to maintain one-stop centers** and other program costs—with this spending actually exceeding the amounts spent on actual training.
- **JT- Takes system to task for not doing career coaching that the WIA law never envisioned to be a role**
- **JT- Assumes if Employment Service ran the One Stops their share of rent and overhead would disappear completely?**
- **JT- Sidebar- meeting at White House June 2009, DPC representative asks "Why couldn't we just go to virtual one stops?"**
- To meet the need for flexible financial assistance, **create a new Micro-Pell Grant program that promotes less-than-half-time postsecondary credit attainment (or micro-credit attainment) for working learners.**
- **Eligibility Ages 18 to 64, work 30 hrs/wk, earn below \$40,000**

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America's Perfect Storm

- **America's Perfect Storm: Three Forces Changing Our Nation's Future**
- Released by Educational Testing Service
- Authors- Kirsch, Braun, and Yamamoto of ETS, and Andy Sum (Northeastern University)
- This report was released January 2007 but didn't seem to attract a lot of buzz until Summer '09

- **Our nation is in the midst of a perfect storm** — the result of the **confluence of three powerful forces** — that is having a considerable impact on our country.

If we maintain our present policies, it is very likely that we will continue to grow apart, with greater inequity in wages and wealth, and increasing social and political polarization.

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America's Perfect Storm

The Three Forces are:

1. The wide disparity in literacy and numeracy skills among our school-age and adult populations.
2. The seismic changes in our economy that have resulted in new sources of wealth, novel patterns of international trade, and **a shift in the balance between capital and labor**. These changes have been driven by both technological innovation and globalization
3. The third force involves **sweeping demographic changes**. The U.S. population is projected to grow from nearly 300 million in 2005 to more than 360 million in 2030. Over this period, **our population will become increasingly older and more diverse, with immigration having a significant impact on the composition of the workforce**, as well as of the general population.

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America's Perfect Storm

- I. **The wide disparity in literacy and numeracy skills among our school-age and adult populations.**
 - **High school graduation rates peaked at 77 percent in 1969**, fell back to 70 percent in 1995, and have stayed in this range into the current decade.
 - The **graduation rate for disadvantaged minorities is thought to be closer to 50 percent.**
 - A recent report by the Organization for Economic Co-operation and Development (**OECD**) indicates that the **United States ranked 16th out of 21 OECD countries with respect to high school graduation rates.**
 - National surveys of our adult population- **large numbers of our nation's adults, 16 years of age and older, do not demonstrate sufficient literacy and numeracy skills needed to fully participate in an increasingly competitive work environment.**

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America's Perfect Storm

- I. **The wide disparity in literacy and numeracy skills among our school-age and adult populations.**
 - International surveys of student and adult populations indicate that **while our average performance is no better than mediocre**, our **degree of inequality** (the gap between our best and least proficient) **is among the highest in OECD countries.**

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America's Perfect Storm

- II. The seismic changes in our economy that have resulted in new sources of wealth, novel patterns of international trade, and **a shift in the balance between capital and labor**. These changes have been driven by both technological innovation and globalization
- In **1950**, manufacturing's share of total employment in the United States was **33.1** percent. By **1989**, it was down to **18.2** percent and, by **2003**, it was **10.7** percent.
 - **Between 1984 and 2000** the number of **employed persons** 16 years of age and older **grew by 29 percent**, or some 30 million. At the same time, **employment in jobs associated with college-level education grew by some 20 million, accounting for two-thirds of the job growth.**
 - **...college labor market clusters expected to generate about 46 percent of all job growth between 2004 and 2014.**

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America's Perfect Storm

- III. The third force involves **sweeping demographic changes**.
- The U.S. **labor force is projected to grow more slowly** over the next 20 years than it did between 1980 and 2000. None of this growth is predicted to come from native-born workers of prime working age (25 to 54).
 - **Fueled both by higher birth rates and by immigration, the Hispanic share of the population is expected to grow from 14 percent in 2005 to slightly more than 20 percent by 2030.**
 - In 2004, nearly **57 percent of the 16- to 64-year-old Hispanic population in the United States was foreign-born**, up from 46 percent in 1990. **More than half** of these immigrant Hispanics **lacked a high school diploma.**
 - **Almost 80 percent of immigrants who have not earned a high school diploma report not speaking English well or at all.**

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America's Perfect Storm

- **Implications-** over the next 25 years or so, as better-educated individuals leave the workforce they will be replaced by those who, on average, have lower levels of education and skill.
- **By 2030, nearly half of the projected job growth will be concentrated in occupations associated with higher education and skill levels.** This means that tens of millions more of our students and adults will be less able to qualify for higher paying jobs.
- **If we continue on our current course,** however, **it is likely that our nation will gradually lose ground in relation to other countries,** becoming more divided both socially and economically in the process.
- **We must set a national goal of equipping... nearly all adults with the ability to perform work that is highly valued in the marketplace and the ability to periodically renew themselves as the nature of that work evolves.**

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Community College Legislation

- The House passed its version, the Student Aid and Fiscal Responsibility Act (SAFRA), HR 3221, on September 17. The bill includes **\$9.5 billion** for community colleges, broken down into three programs:
- **\$2.5 billion** provided in FY2011 for grants to community colleges to repair, renovate and modernize their facilities.
- **\$6.3 billion** provided over ten years for the Community College Challenge Grant Program. The program will offer competitive grants geared towards community colleges during the first four years and targeted to states during the remaining six years.
- **\$700 million** provided for competitive grants designated for national activities, including grants to develop free online courses and training.
- Wildcard- **reconciliation** means \$87 Bil over 10 years, but IF NOT then a new Title in WIA Reauthorization and in Appropriations mix

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WIA Reauthorization Issues

- Alignment Title I and Title II
- Tweaks or Major Redesign
- Regional Decisions
- Geographic Tug of War- *Golden Rule vs Law of the Hereafter*
- Administration's Role?
- Organized Labor very strong
- Required percent expended on training
- Kick off January 2010, passage 2010 or 2011?

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Theory vs. *Fiscal Reality*

- We just looked at every possible **convincing reasons why there must be increased emphasis and investment** on Adult Basic Education, Literacy and English as a Second Language Training **and yet**
- **ARRA- my guess is *BIG* Stimuli are a one shot deal**
- **ARRA- Overall: very, very slow to hit the street**
- **ARRA- Energy Audit/ Weatherization guidance and money still not out**
- **ARRA- WIA Title I, NYSDOL policy, 100% of ARRA funds must be expended by June 30, 2010**
- **ARRA- *WIA Title I*, cliff effect Erie County WIB**
 - **7/1/07 = \$ 12.0 Million;**
 - **7/1/08 = \$ 9.2 Million;**
 - **7/1/09 = \$ 15.0 Million**
 - **7/1/10 = \$ 7.5 Million ??**

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Theory vs. *Fiscal Reality*

Program	FY09 Enacted	FY2010 House Labor H	FY2010 Senate Labor H
WIA Adult	\$861,540,000	\$861,540,000	\$861,540,000
WIA Dislocated	\$1,183,840,000	\$1,183,840,000	\$1,183,840,000
WIA Youth	\$924,069,000	\$924,069,000	\$924,069,000
Employment Service	\$703,576,000	\$703,576,000	\$703,576,000
Perkins VATEA	\$1,271,694,000	\$1,271,694,000	\$1,271,694,000
Adult Basic and Literacy Education	\$567,468,000	\$639,567,000	\$641,567,000

FY2011 Budget Rumors

- Deficits Matter Again
- Euro = \$1.50 today, \$1.30 9 months ago
- Saudi Arabia Foreign Reserves last year 67% dollars; today 37% dollars
- One day last month India bought \$6.5 Billion worth of Gold from IMF
- If China, Saudi Arabia, etc. don't buy our debt then-
 - hello 1982, 30 year mortgages were 16%,
 - Inflation was persistent and rampant
 - 5 year IRA yielded 17%
 - Volcker finally raised prime rate to 20% to choke off inflation
- Scenario 1- level funded
- Scenario 2- agencies take 5% cuts
- Odds of a Supplemental WIA and SYEP, in my opinion, still a good shot

The State Budget

- California laid off 20,000 teachers
- Hawaii teachers 17 days unpaid furloughs
- Wall Street provides 20% of state budget's revenue
- Stimulus and TANF Contingency reversed original proposed budget cuts
- Income and Sales Tax Revenues continue to be below forecast
- Governor proposes deep cuts Fall 2009
 - Tier V politics??
 - Deep SUNY cuts (schools have begun)
 - Tuition Assistance Program cuts
 - Deep mid-year school aid cuts
 - EPE looks okay
 - ALE deep cuts
 - State Agencies take cuts
- Next year and the year after have grim outlooks too

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Crosswalking the Reports

	Community College is critical	Completion not enrollment	Life Long Learning	Align Titles I & II
Obama	YES	One Year	YES	??
Oates	YES	YES	YES	YES
Kanter	YES	YES	YES	YES
Barnes	YES	??	??	??
Rahm	YES	YES	YES	??
Today's Workers	YES	YES	YES	YES
Working Learners	YES	YES	YES	YES
Perfect Storm	YES	YES	YES	YES

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So What Does it all Mean?

- Maybe all three of these reports are wrong.....
- Maybe their diagnosis of the problem is correct but their solutions are wrong.....
- But what if they are substantially correct ?
- If some of these major changes become law or are incorporated into competitive grant proposals will you be ready? If HRA, DYCD, and SBS have to adjust, will your voice be heard in those discussions?
- Let's talk about that

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For More Information

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