

April 11, 2011

***The Disconnect between Washington and  
the New York Workforce***

**Postsecondary/ Career Transition  
Summit**

**John Twomey, NYATEP**

# ***What We'll Talk About Today***

- **Quick Look at New York State initiatives**
  - **WIA Reauthorization**
  - **Funding Battle in Congress**
  - **Misalignment with New York's Workforce Challenges**
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- A fountain pen is shown in the lower right corner of the slide, resting on a document. The document has the word "BAG" printed on it. The background of the slide is a light, textured surface with a faint grid pattern.

# Workforce Trends NYS

- **Reading the Tea Leaves on Governor Cuomo**
- **The New NY Agenda: A Plan for Action (224) NY Works: Getting NY Back to Work (181) , and an Urban Agenda (273)**
- <http://www.andrewcuomo.com/system/storage/6/34/9/378/acbookfinal.pdf>
- [http://www.andrewcuomo.com/system/storage/6/c7/3/1066/andrewcuomo\\_ny\\_works\\_agenda.pdf](http://www.andrewcuomo.com/system/storage/6/c7/3/1066/andrewcuomo_ny_works_agenda.pdf)
- [http://www.andrewcuomo.com/system/storage/6/5b/2/1183/andrewcuomo\\_urban\\_agenda.pdf](http://www.andrewcuomo.com/system/storage/6/5b/2/1183/andrewcuomo_urban_agenda.pdf) (chapter 5- Develop a 21<sup>st</sup> Century Workforce)

## *Things to Focus on*

- Regional Economic Development Councils
- The Importance of Literacy
- OJT
- Youth: SYEP and Priming the STEM student pipeline (Brand “internships.com”)

# ***Regional Economic Development Councils***

- **Forge a New Economic Development Paradigm: Regional Economic Development Councils**
- **NY cannot pursue a one size fits all approach**
- **“starting point for this effort will be to establish ten regional economic development councils (“Regional Councils”) that represent a public-private partnership to develop and execute effective longterm economic development strategies.”**

# **Regional Economic Development Councils**

- **Empower Regional Councils by giving them Control over One Third of Economic Development Funds**
- **Make Higher Education a Jobs Generator: Higher Education-Industry Partnerships (commercialize university research)**
- ***So what does this all mean to Adult Education??***
- **“Traditional workforce development models have allowed every sector of the economy with a stake in workforce development - from educators to government agencies to the business community – to operate in largely autonomous orbits”.**

# Regional Economic Development Councils

The State must maintain a sharp focus on these strategies:

1. Merging the workforce development and economic development functions of government to create systems that align the needs of high-growth employers with our jobseeking residents according to regional business demand;
2. Recognizing the **essential role of education and literacy** as the foundation for a strong, versatile workforce;
3. Emphasizing the **critical role of youth employment** in building the workforces of tomorrow; and
4. Making **On-the-Job training** partnerships a priority.

# Literacy

- There is no doubt that **literacy is the absolute prerequisite for finding good jobs in a skills-based economy**, and this will be a major focus of both educational and social service efforts of the Cuomo Administration.”
- **The building blocks for a more skilled workforce in New York State must begin with an unyielding commitment to the educational and literacy needs of all sectors of our workforce, in both youth and adult populations.**
- The Cuomo Administration will urge the Regional Councils to make OJT programs a priority in workforce training, including programs that specifically address inclusion of literacy skills training in conjunction with the OJT training experience, summer Youth Employment opportunities, and hiring hard-to-place workers.

*Special Thanks to*

**JOHN COLBERT**  
**CAPITOL HILL PARTNERS**



# WIA Reauthorization

- The Endless Saga
- Why it really matters in these fiscal times
- Senate Bill
  - Universal access
  - TANF in unless governor opts out
  - SWIB: **1/3 – 1/3 – 1/3**
  - LWIBs – smaller business led
  - Training- more flexibility beyond ITAs in training to allow for customized training and coordination through sector strategies
  - Governance- no mandated consolidation, incentives for regional planning
  - Alignment- better coordination across titles
  - Adult Ed- more integrated and modeled after IBEST program

# WIA Reauthorization

- Senate Bill (continued)
  - Funding, 100% transferability Adult & DW
  - Innovation left undefined in Senate
  - Obama Innovation Fund & Rural New York
  - Will not be a line for infrastructure
  - MOUs and funding should be left to the locals
- House Bill
  - Field Hearing in Utica, NY on March 22<sup>nd</sup>
  - Not on the fast track at present

# *Unprecedented Budget Cutting Frenzy In Washington*

- Polling indicates jobs are the top priority
- In Washington – budget cutting is undisputed top priority
  - Administration FY 12 – five year freeze
  - House - \$100 billion in cuts
    - Requiring cuts for every extension of the CR
  - Senate – freeze at FY 10 levels

# Republicans Masterful In Budget Debate

- Last year in minority –
  - Blocked all appropriations bills
  - Extended tax cuts
- In majority – “*we are broke*”
  - Dramatic cuts to domestic spending

## *Two Year Fight Over Spending*

- Debate over CR was only the first step in two year debate over spending
- Fundamental disagreement between the parties over the role of government
- Ideological fight - 2012 elections are necessary to break logjam

# 112<sup>th</sup> Congress

- **House**

- **87** new House Republican Members – half have no political experience
- Over half of the Republican Members on Education and Workforce Committee are freshman
- **New Members are uniformly focused on cutting spending and reducing the size of government**
- 176 member Republican Study Commission

## *Upcoming Decision Point for House Republican Leaders*

1. I prepared this on 4/7 with Expiration of current Continuing Resolution (CR) April 8<sup>th</sup>; so by now: shutdown or 3 day CR followed by yearlong CR
2. Debt limit extension – sometime between mid April and the end of May

# HR1 & short term CR

- House passed \$100 billion in cuts (\$61 billion below current funding levels).
  - Eliminates all FY 11 WIA funding – a \$3.6 billion cut
  - No new funding for WIA programs as of July 1
  - Closure of 3,000 One Stops
- March 18th– Congress extended through April 8<sup>th</sup> with \$4 billion in cuts required by the House

## CR Extension

- Senate - initial offer – freeze at FY 10 levels – a savings of \$41 billion; last few days, offer another \$20 Billion in cuts
- March 11– Majority Leader Harry Reid offers a full year CR with \$51 billion in cuts – halfway to the Republicans \$100 billion
- That would have preserved current funding levels for WIA programs

# CR Extension

- Three weeks ago –
  - Senate voted on:
    - House Republicans \$100 billion cut
    - Senate Democrats \$51 billion full year CR funding by speaking with your Senate offices
- Both bills failed to get 60 votes, but provided the parameters for future negotiations

# New Congress

- Fight over CR – the first step in a two year war over spending
  - Little incentive for Republicans to negotiate over spending
- FY 12 budget debate upcoming – most likely outcome-- no agreement, forcing government to operate under a CR for the next two years
- **We want to ensure core workforce funding is protected**

## *Part II: My Premise is that:*

- If you don't think you have a problem you will have no urgency to correct it
- New York won't have a skilled workforce until we both a) improve the results of our K-12 system; and b) address the quality of our working age population

This means only fixing one part won't solve the problem

- Our competition isn't just in China and India, but in the other 49 States.

# Adult Learning in Focus

National and State-by-State Data



2008

CAEL in partnership with NCHEMS

# Workforce Diversity:

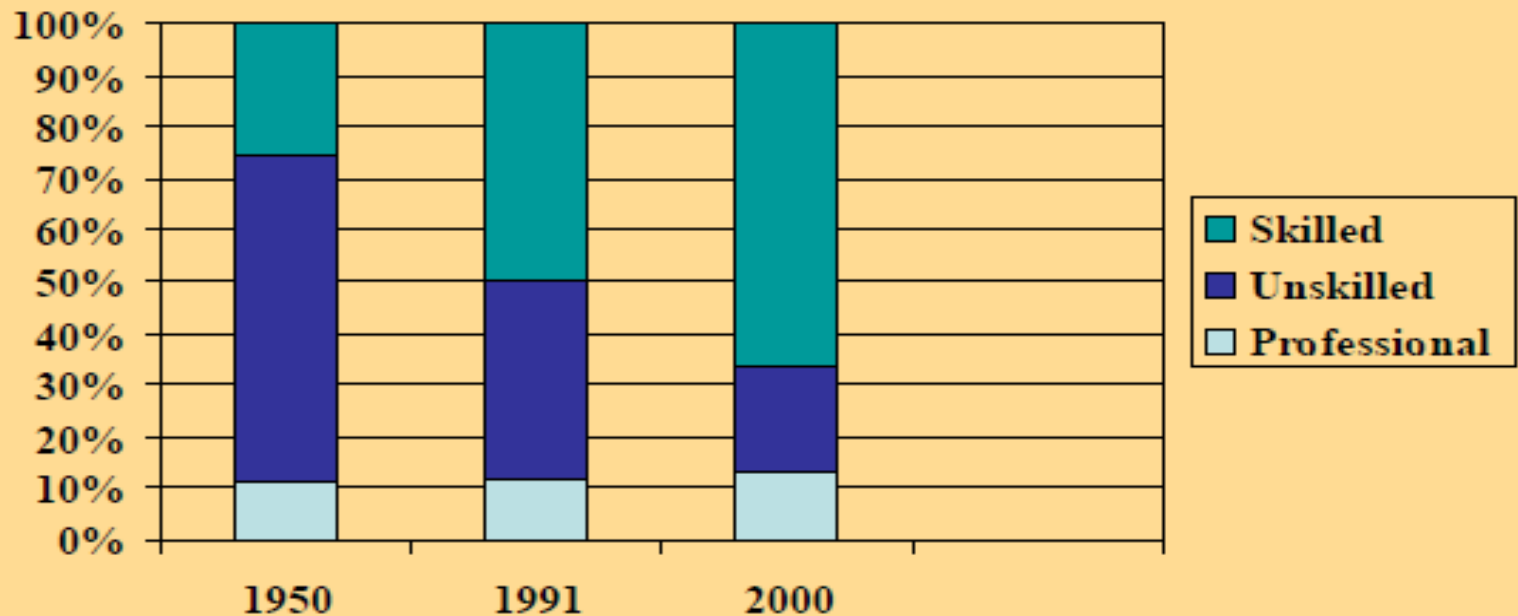
## National Statistics

|                                  | <u>2003</u> | <u>2010</u> | <u>2050</u> |
|----------------------------------|-------------|-------------|-------------|
| <b>White:<br/>(Non-Hispanic)</b> | <b>73%</b>  | <b>65%</b>  | <b>53%</b>  |
| <b>Hispanic:</b>                 | <b>11%</b>  | <b>16%</b>  | <b>24%</b>  |
| <b>Black:</b>                    | <b>12%</b>  | <b>13%</b>  | <b>14%</b>  |
| <b>Asians:</b>                   | <b>5%</b>   | <b>7.3%</b> | <b>11%</b>  |

## ***New York's demographic shift much faster than the overall United States***

| <b>New York State</b>        | <b>1980</b> | <b>2000</b> | <b>2020</b> |
|------------------------------|-------------|-------------|-------------|
| <b>White (non- Hispanic)</b> | <b>76%</b>  | <b>64%</b>  | <b>56%</b>  |
| <b>All Minorities</b>        | 24%         | 36%         | 44%         |
| <b>African Americans</b>     | 12%         | 15%         | 15%         |
| <b>Hispanics/ Latinos</b>    | <b>9%</b>   | <b>15%</b>  | <b>20%</b>  |
| <b>Asian Americans</b>       | 0.2%        | 5%          | 10%         |
| Source: Census               |             |             |             |

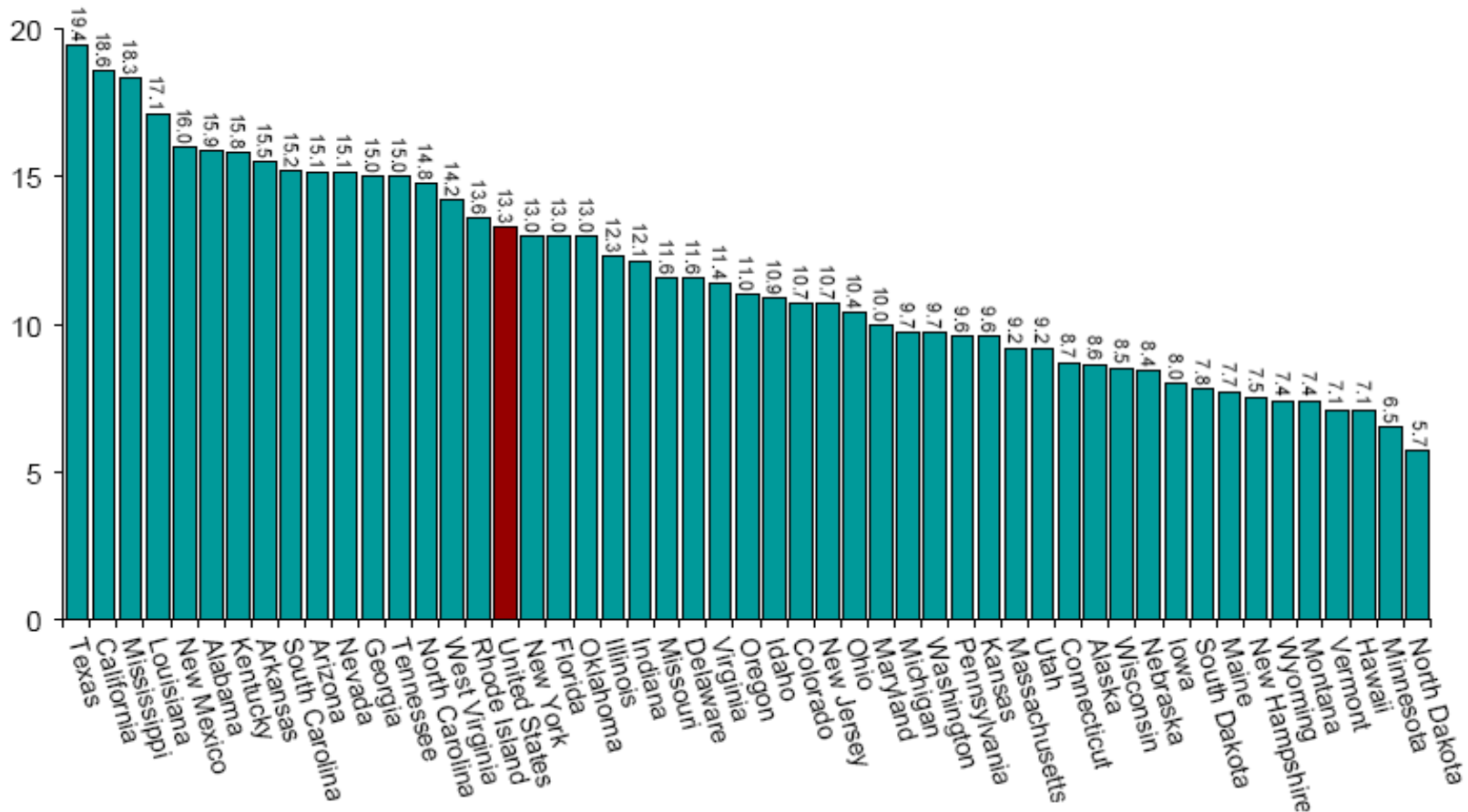
# Unskilled Jobs Are Disappearing



Source: Center for Economic Development, Carnegie-Mellon, 2003

# Working Age Adults HSDO

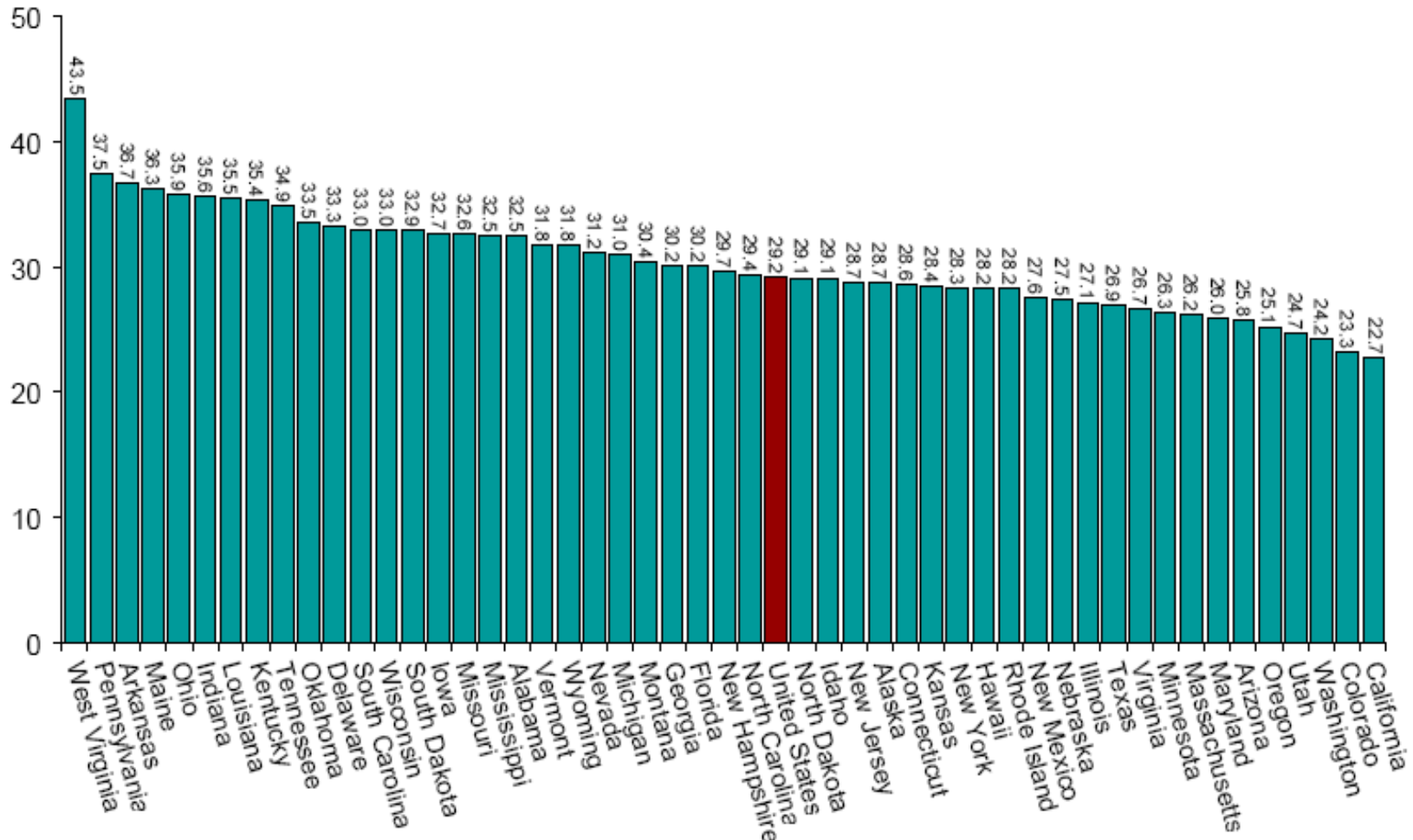
Figure 15. Adults Aged 25-64 with Less than a High School Diploma, 2006



U.S. Census Bureau, American Community Survey (Public Use Microdata Samples)

# Adults Aged 25 – 64 HSG only

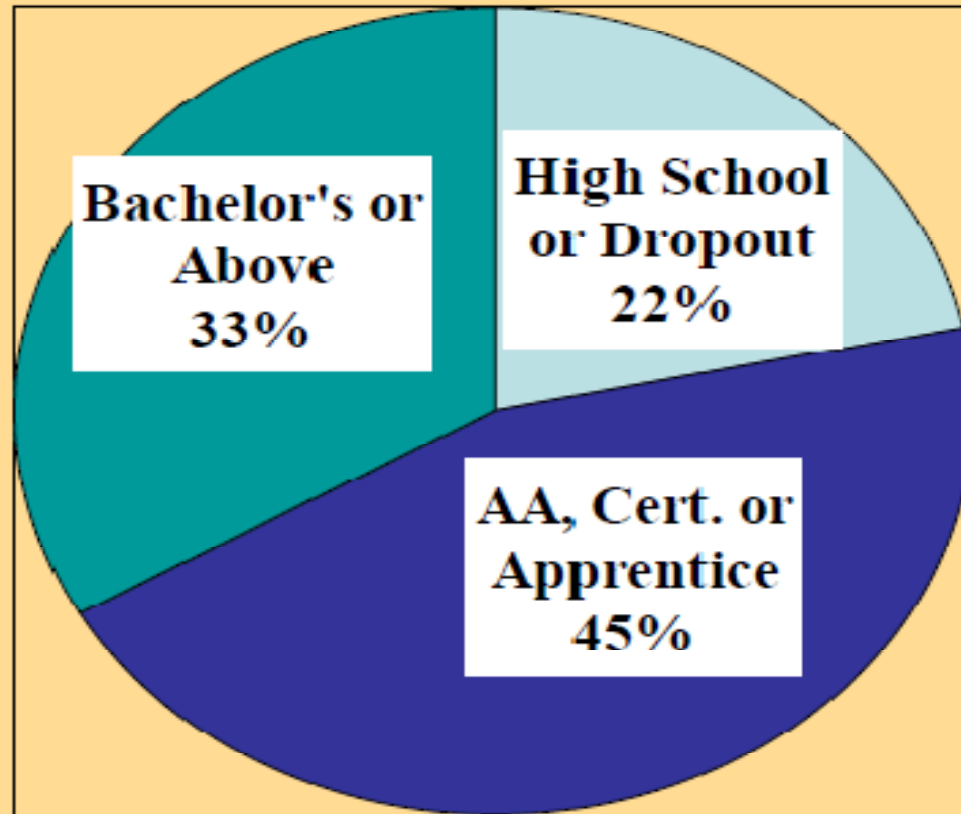
Figure 16. Adults Aged 25–64 with Only a High School Diploma but No College, 2006



U.S. Census Bureau, American Community Survey (Public Use Microdata Samples)

# *Job Openings by Skill Level*

## Job Openings by Skill Level, 2004-2014



Source: Holzer & Lerman, Brookings Institute, 2009

***So, high unemployment yet many unfilled Jobs in a Recession!!***

## Vacant Jobs 2009

- United States      +2 Million
- European Union    2.3 Million

Source: Manpower Inc.

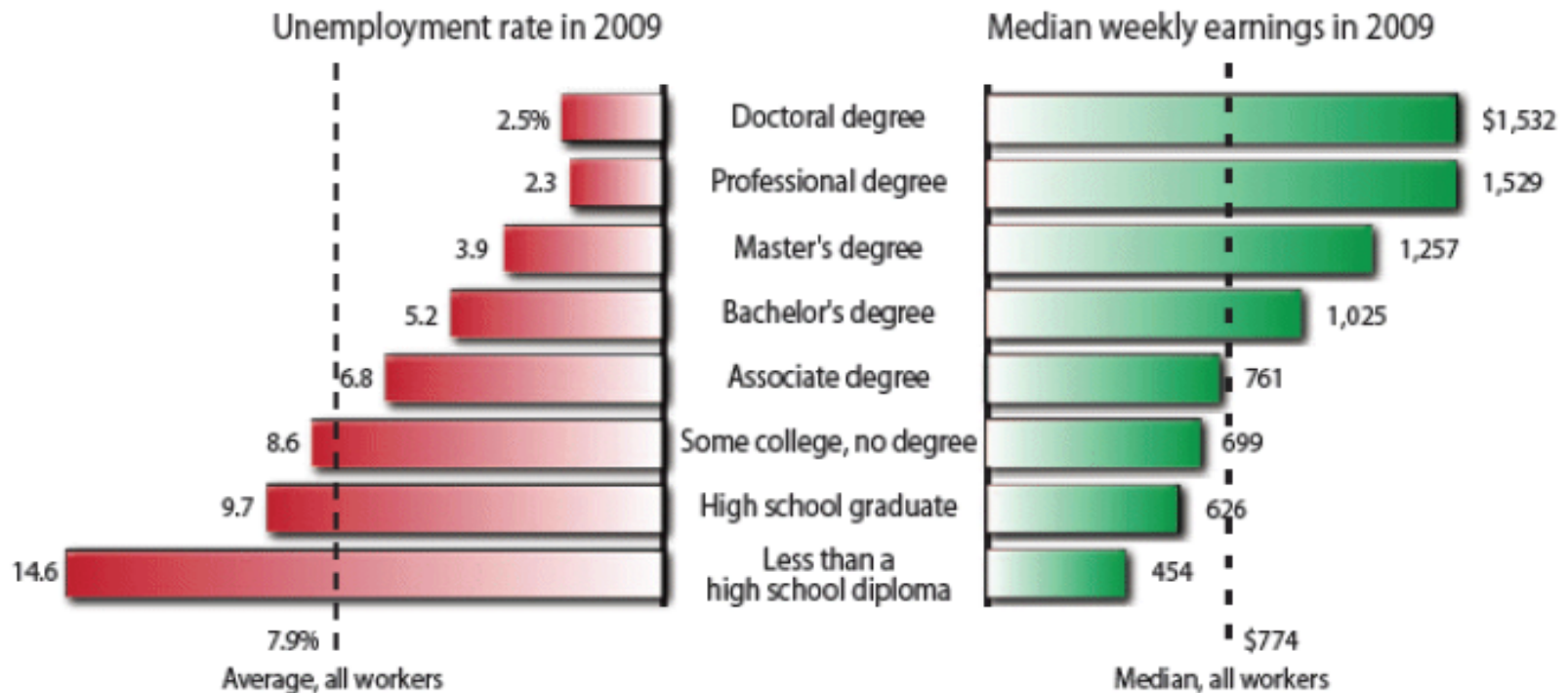
# Reach Higher America

2008

|   | <b>Language Challenge</b> | <b>Credential Challenge</b> | <b>Literacy Numeracy Challenge</b> | <b>Post-Sec Education Challenge</b> | <b>Total</b> |
|---|---------------------------|-----------------------------|------------------------------------|-------------------------------------|--------------|
| <b>Number of U.S. Adults (18 – 64)</b>                        | 6,466,383                 | 23,247,930                  | 34,288,383                         | 23,997,303                          | 88,000,000   |
| <b>Percent of Total U.S. Adults (18 – 64)<br/>153 Million</b> | <b>4.7%</b>               | <b>17.0%</b>                | <b>20.1%</b>                       | <b>15.7%</b>                        | <b>57.5%</b> |

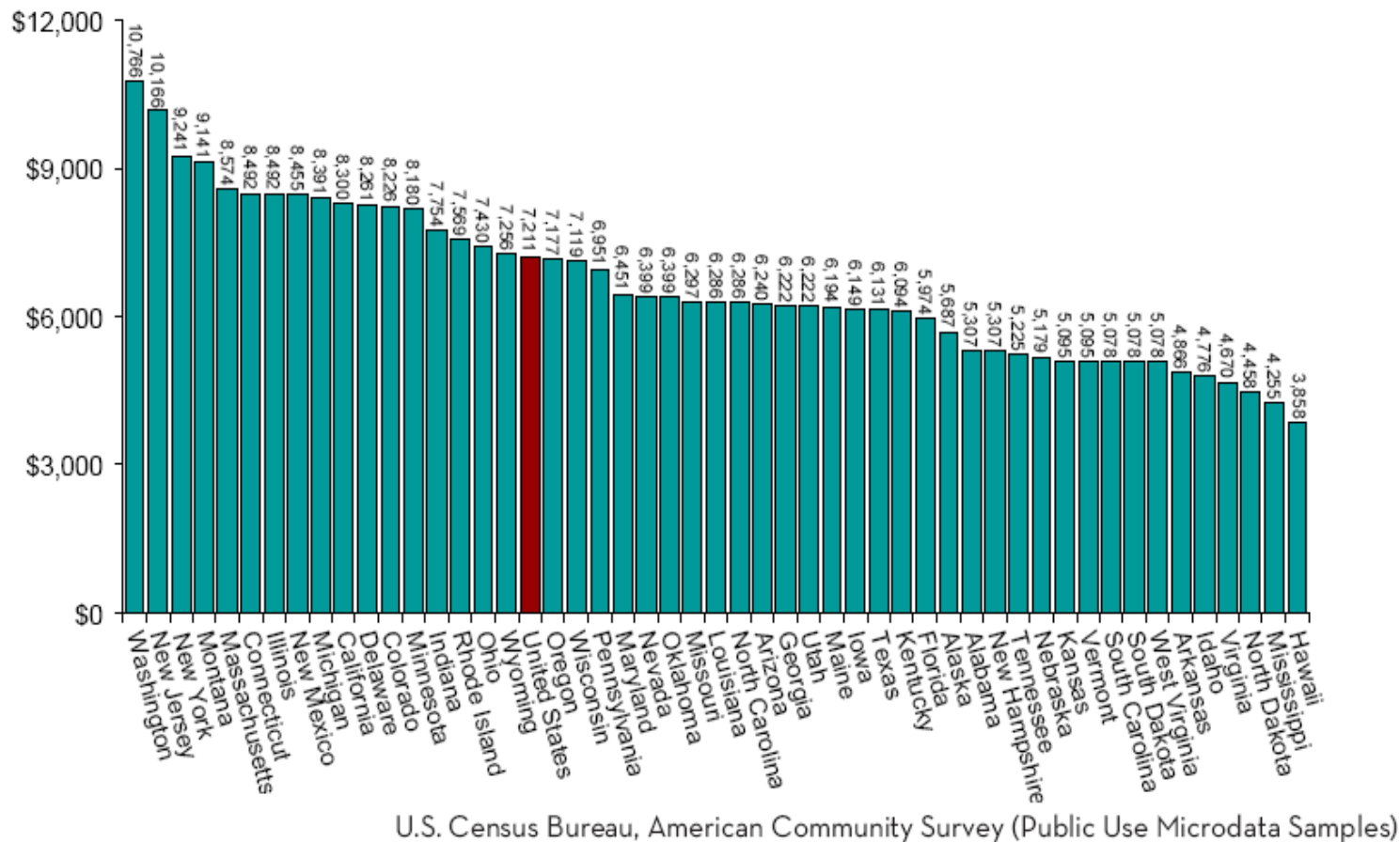
# Unemployment and Educational Level are Strongly Linked

Unemployment rates and earnings for full-time wage and salary workers aged 25 and over, by educational attainment, 2009



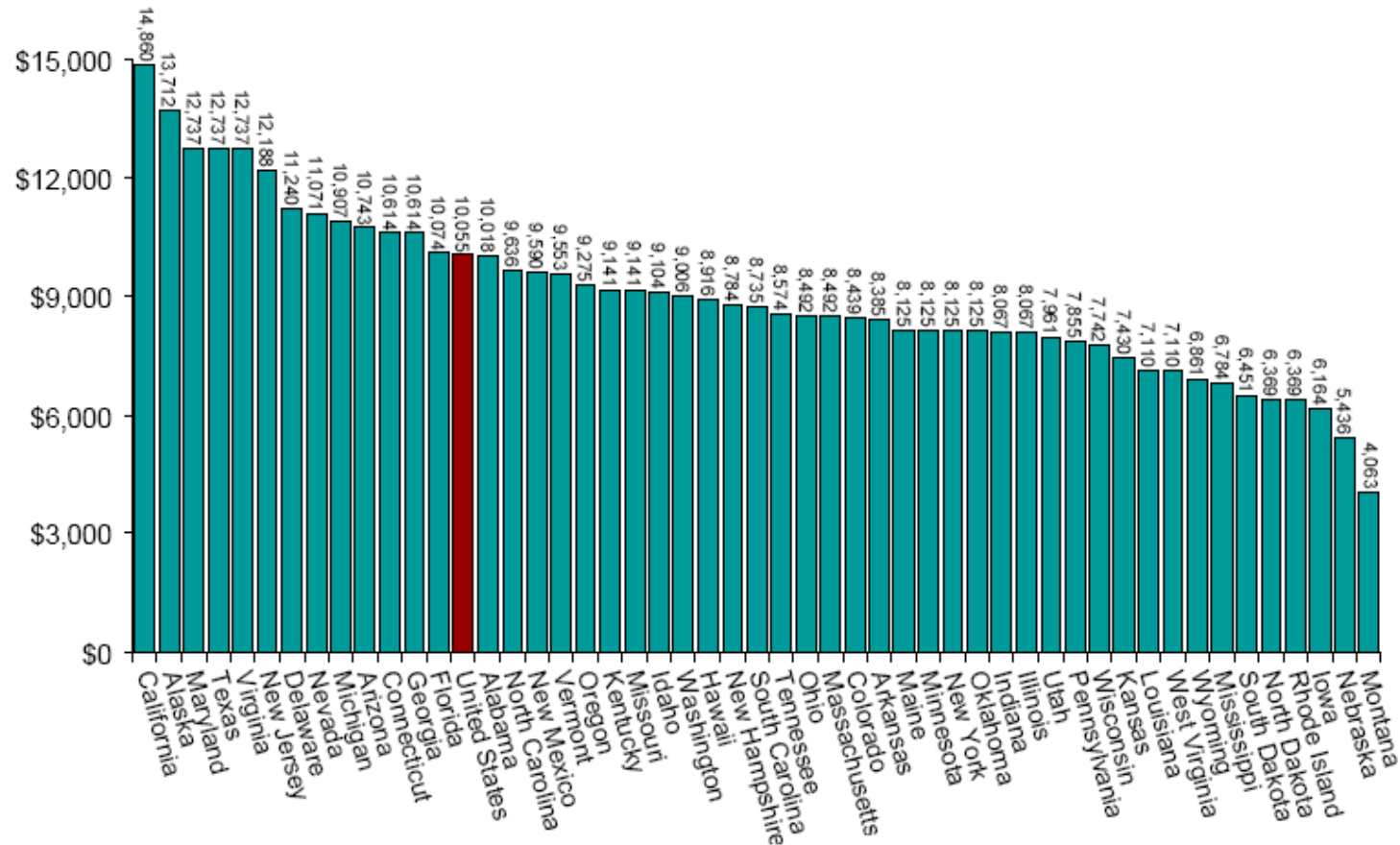
# Earnings Gain HSDO to GED/HSD

Figure 4. Difference in Median Earnings Between Less than a High School Diploma and a High School Diploma, 2006



# Earnings Gains HSG to Associate's

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

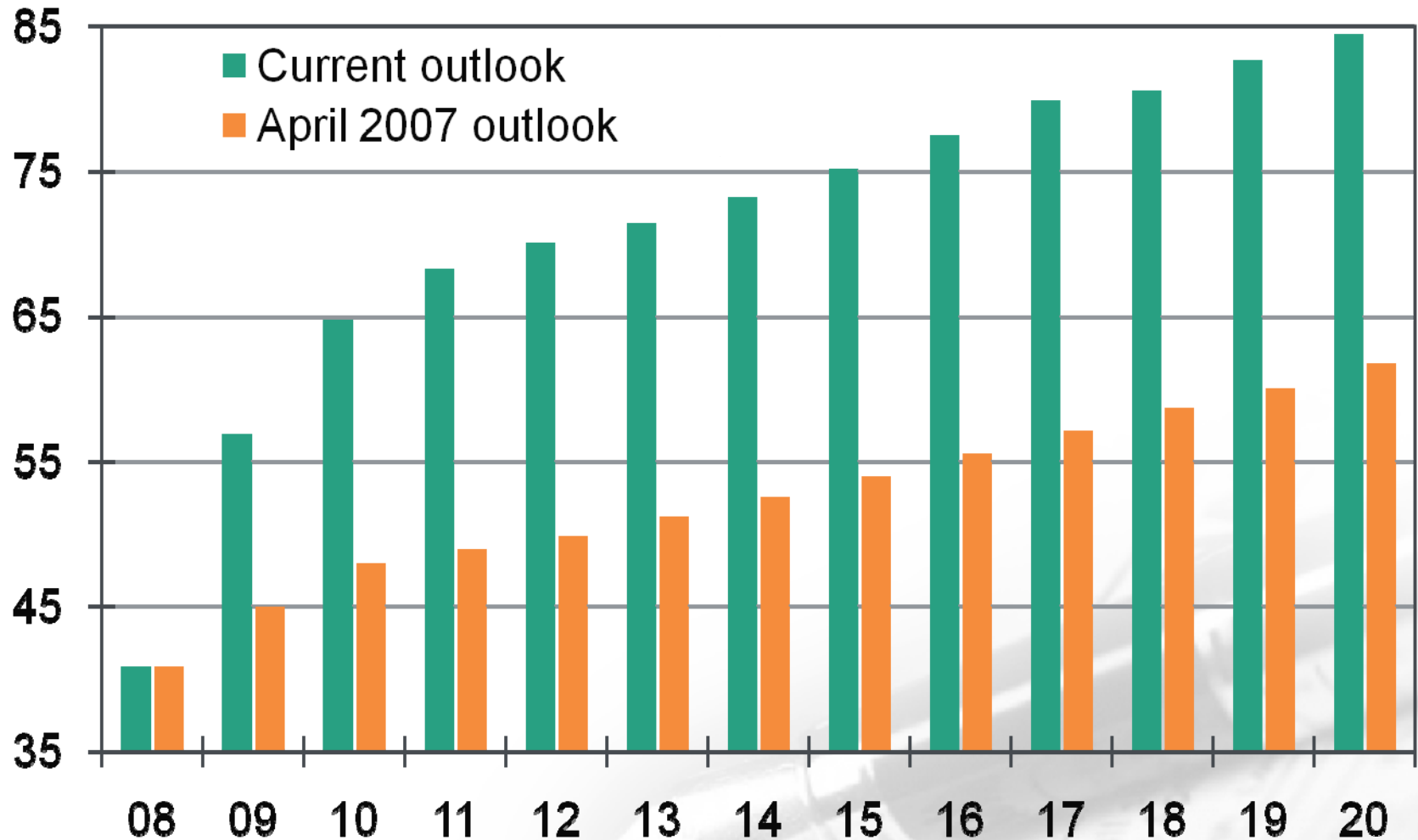


U.S. Census Bureau, American Community Survey (Public Use Microdata Samples)

# National Assessment of Adult Literacy Skills

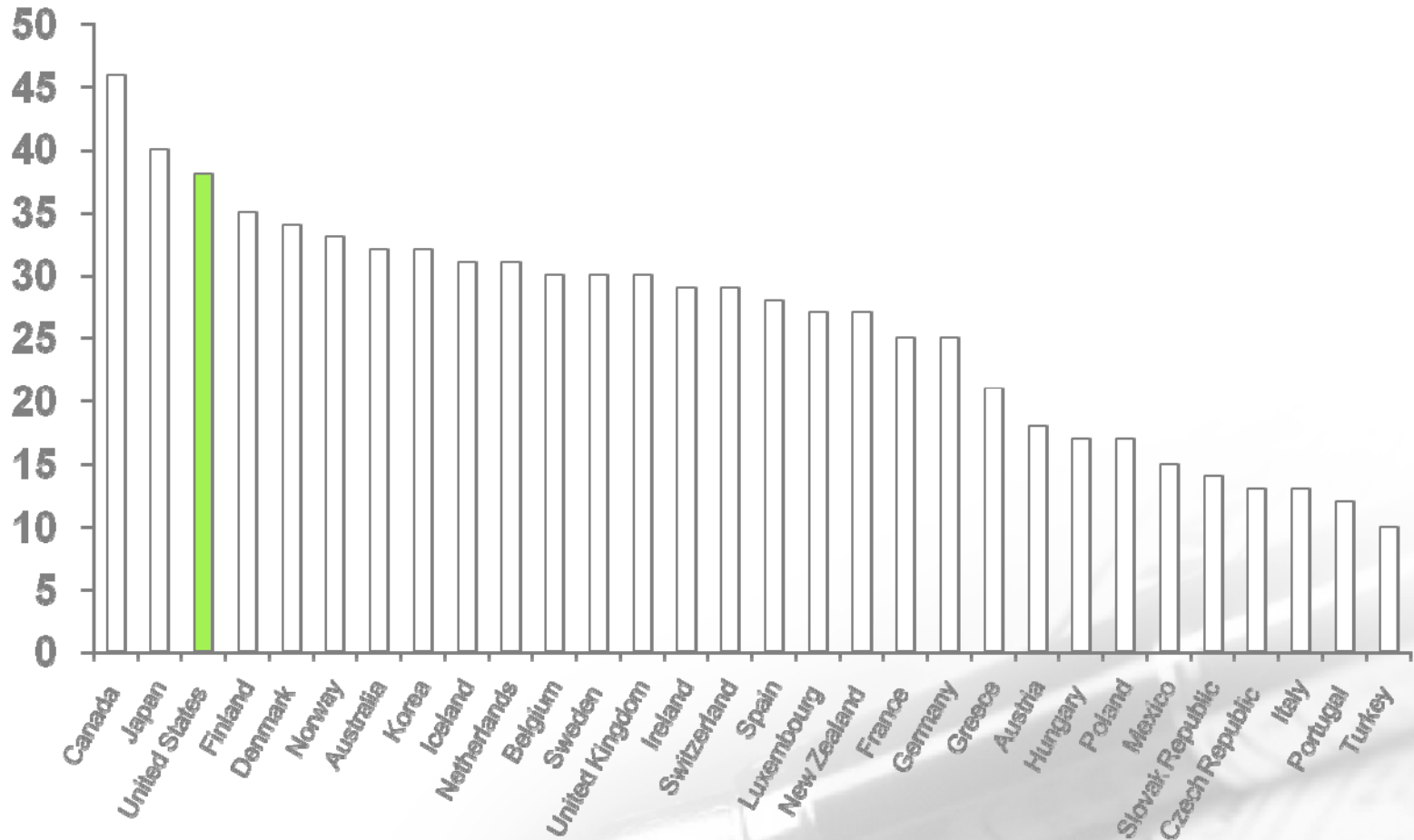
- **14%** of United States working age people are in NAALS Level 1 status
- NAALS Level 1 – can't balance a checkbook, either totally illiterate or maybe can read a sentence. **52 counties in New York have over 10% of their workforce in NAALS Level 1 !**
- **New York State NAALS Level 1 percentage is 22%**  
**USA overall Level 1 = 14%**
- **New York is 49<sup>th</sup> of 50 states**  
(VT= 7%, MA= 10%, CT= 9%, NJ= 17%, PA= 13%)
- Here is the NAALS Level % information by county:  
<http://www.nces.ed.gov/naal/estimates/StateEstimates.aspx>

# Federal debt-to-GDP ratio as a percent



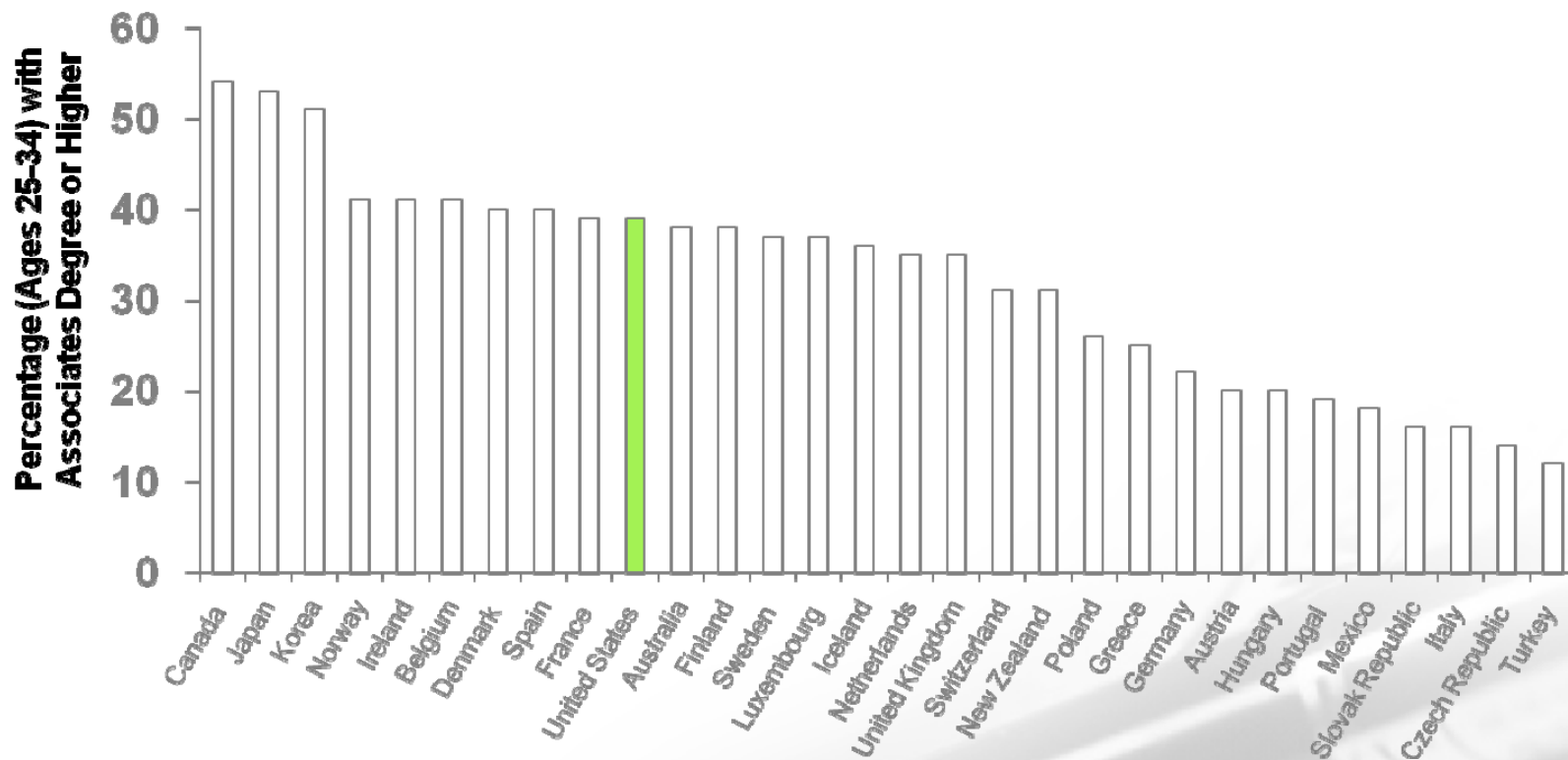
# U.S: 3<sup>rd</sup> Out of 30 OECD Countries in Overall Postsecondary Attainment 38%

Percent of Adults Ages 25–64 with Associates  
Degree or Higher



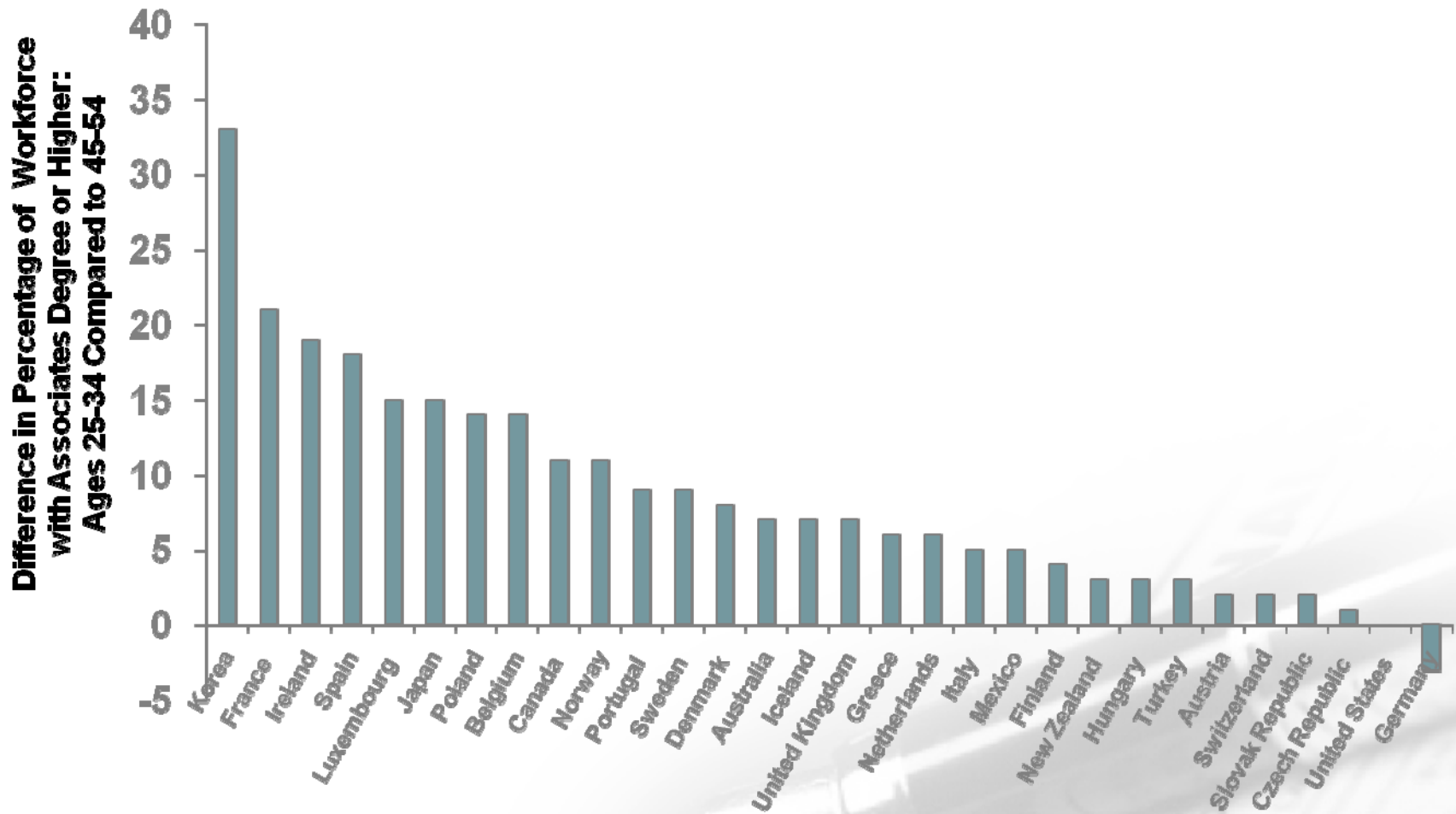
Source: 2007 OECD Education at a Glance,  
[www.oecd.org/edu/eag2007](http://www.oecd.org/edu/eag2007). Note: data is for 2005.

**U.S. tied for 9<sup>th</sup> out of 30 OECD nations in the percentage of younger workers with an associates degree or higher 39%**



Source: 2007 OECD Education at a Glance, [www.oecd.org/edu/eag2007](http://www.oecd.org/edu/eag2007). Note: data is for 2005.

**U.S. is one of only two OECD nations where today's young people are not better educated than their parents!!**



Source: 2007 OECD Education at a Glance, [www.oecd.org/edu/eag2007](http://www.oecd.org/edu/eag2007). Note: data is for 2005.

## State vs. State; County vs. County

- The **Virginia** Higher Education Opportunity Act of 2011 was introduced to the Virginia General Assembly on January 21.
- establishing 100,000 new postsecondary degrees in 20 years
- Making higher education more affordable and accessible for Virginia students is a top priority of our Administration. **It will grow our economy, create new jobs and ensure a prosperous and dynamic Commonwealth for generations to come.”**
  - Gov. Bob McConnell
- **CEOs for Cities** Launches \$1 Million Talent Dividend Competition to Boost Talent in America's Cities
- **Prize Will Go to City with Greatest Increase in College Degrees by 2014**
- “Thanks to CEOs for Cities, we now know that for every one percentage point increase in our college graduation rate, New Yorkers will earn an additional \$17.5 billion each year. - SUNY Chancellor Nancy Zimpher

# Next Steps



- But Albany & Washington are broke...
- If we wait to address these challenges, what happens?
- **If we ignore all this, will it go away?**
- **What can we do??**

# What Can We Do

- **We all need to be *Paul Revere* on this issue.** Do you think your kids know this? Your neighbors? Your State elected officials? Your Congressional Representatives? Your school board members?
- Improve the results of our K-12 system
- Decide if increasing literacy levels in NY is: an expense or an investment ?
- Invest in Summer Youth Employment Programs for poor kids
- Better link existing job training with literacy improvements
- Make a bet on high demand/ high wage sectoral jobs with career ladders
- Concentrate on more students into STEM
- Commercialize university research on a regional basis

# For More Information

- We can't fix New York's Workforce without doing two things:
  - Improve the quality of K – 12 graduates **AND**
  - Increase the Literacy Skills & Educational Levels of our Adult workers

## For More Information

- Contact John Twomey at 518 433 1200 x2

or

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