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6 Ways the State Can Expand Economic Opportunity in 2016

As Governor Cuomo and the State Legislature set priorities for 2016, they should put economic opportunity for New Yorkers at the top. CUF Senior Researchers Christian González-Rivera and Tom Hilliard offer six concrete and affordable ideas to build the skills of the New York workforce, boosting low-income workers and their employers.

by Christian González-Rivera and Tom Hilliard

A condensed version of this commentary was published as an op-ed in *City & State*. Click here to read the op-ed.

In recent months, Governor Andrew Cuomo has taken a number of bold policy steps to expand economic opportunity for New Yorkers, from dramatically raising the minimum wage for fast food workers and public sector employees to pardoning thousands of people convicted of nonviolent crimes as teenagers whose ex-offender status has limited their ability to get decent-paying jobs. These are meaningful policies at a time when incomes are stagnating and the ranks of the working poor are multiplying. However, in order to succeed in boosting a large number of New Yorkers into the middle class, the governor will also need to take actions that enable New Yorkers to acquire the skills and educational credentials essential to economic success in today's job market.

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In 2016, as the governor looks to build on the impressive start to his opportunity agenda, he should make job training and higher education a key focus. This commentary lays out six concrete policy ideas that the governor and the legislature could take in 2016 to expand and improve skills building in New York.

Increase REDC investments in job training

New York commits close to $1 billion each year to economic development projects across the state through its 10 Regional Economic Development Councils (REDCs). The REDCs have been the cornerstones of Governor Cuomo's job creation strategy since their creation in 2011. While there is much to applaud about this new bottom-up approach to economic development, the 10 REDCs have not made significant investments in job training and workforce development. Although one of the explicit mandates of the REDCs is to "train the workforce of today and tomorrow," only a little over 1 percent (about $7.8 million) of the $710 million in funds the state made available in 2014 went to job training. This is too little.

While it's understandable that the REDCs are primarily focused on job creation investments, even a modest increase in funding for workforce development would serve both employers and aspiring workers. It would help ensure that community residents are able to access the new jobs created by the state's economic development investment, and it would give employers an ample supply of skilled workers. Moreover, were REDCs more supportive of workforce outcomes, they could help fill an important void: unlike many other states, New York has no established statewide program to provide employers with customized training to boost their employees' skills and respond to changing industry demands.

Governor Cuomo, officials at the Empire State Development Corporation and legislative leaders should set a goal of reserving at least 10 percent of the dollars awarded to each REDC for investment in workforce development partnerships and initiatives. To maximize the effectiveness of these workforce development dollars, the state should consider directing the funds to support region-wide industry partnerships aligned to the sectors that the regional councils have targeted for investment.

Expand TAP to meet the needs of non-traditional students

The American college ideal of sending recent high school graduates to an ivied institution for four years of studying and frat parties has drifted away from reality. Today, a majority of college students are non-traditional. Four out of ten attend a two-year college, three out of ten work full-time and one out of four are over the age of 30. In New York, the share of students attending SUNY and CUNY community colleges part-time has jumped from 32 percent to 42 percent since 1980.

Yet the way New York allocates financial aid seems stuck in the 1950s. In 2013, for example, fewer than 1 percent of the nearly 150,000 part-time students enrolled at the state's public community colleges received financial support through the Tuition Assistance Program (TAP), New York's need-based financial aid program. As a result, tens of thousands of poor and working poor New Yorkers who can only afford to study on a part-time basis are struggling to afford school long enough to earn a credential.

This year, Governor Cuomo and the legislature should make it a priority to amend TAP to help thousands of non-traditional college students succeed and graduate with a marketable degree. The governor and the legislature should make two changes as soon as possible: expand part-time students' eligibility, and extend TAP from a traditional calendar of fall and spring semesters to a year-round calendar.

TAP eligibility rules require that students be enrolled full-time for two consecutive semesters before they can enroll part-time

and maintain access to TAP. And once they meet these requirements students are only eligible for six semesters of schooling. These restrictions are intended to keep the costs of TAP down by limiting the number of people who qualify, but they actually create perverse incentives that waste taxpayer-funded financial aid. For example, many students take on a full courseload in order to qualify for TAP, even if work or family obligations preclude them from being able to dedicate enough time and effort to doing well in all those courses, which drives down their GPA and makes them ineligible for TAP. The State Legislature should waive the “two full-time semesters” rule and extend eligibility time for students using the Part-Time TAP option.

In addition, TAP does not cover students enrolled in the summer or winter intersessions, which in effect forces them into the traditional fall/spring enrollment schedule. This plays havoc with one of the most effective completion strategies, particularly at community college: continuous enrollment to graduation. Over the past several years, CUNY has successfully tested its ASAP initiative, which showed that low-income community college students can double their graduation rates with the right set of supports. Year-round attendance enables ASAP students to graduate more quickly, minimizes the chance of “life happens”-type accidents getting in the way, and prevents the summer knowledge-drain familiar to students of every age. The State Legislature should eliminate restrictions that limit TAP eligibility to fall and spring semesters, and instead simply make it available year-round. Since the winter intersession is short, the state should consider exempting it from the total cap on TAP-funded semesters of eligibility.

Only 35 percent of community college students in New York graduate in six years. It is past time for New York’spolicymakers to step up and adapt our financial aid system to the needs of today’s students.

Overhaul adult literacy funding in New York State

As the New York economy becomes increasingly dependent on knowledge and education, adult literacy becomes increasingly vital. Immigrants need English-language instruction. Adults who left high school without a diploma need a second chance to qualify for good jobs. Employers need literate, numerate, English-speaking employees to remain competitive. Unfortunately, an alarming number of adult New Yorkers lack these basic literacy and educational skills. In New York State, 1.7 million adults lack a high school diploma or equivalency (15 percent of all adult New Yorkers) and 1.8 million adults across the state do not speak English well or at all.1

Given these bleak numbers, it is time for policymakers to make a bold new commitment to strengthening the state’s adult education system.

New York funds adult literacy services through several programs, most importantly the Employment Preparation Education program, or EPE. And EPE, to put it bluntly, is a mess. EPE funding has not been increased since 1995, even though the number of adult New Yorkers with limited literacy skills—and the number of immigrants with limited English proficiency—has skyrocketed over the past two decades. In addition to more funding, EPE needs a wholesale makeover. EPE uses an antiquated funding structure, provides non-competitive monopolies to school districts in each county, and, worst of all, discourages innovation to meet the needs of its clients.

There is a unique opportunity now to improve the situation. That’s because the recently enacted Workforce Innovation and Opportunity Act (WIOA) restructures federal funding for adult education. The governor and legislative leaders should take advantage of this opportunity by establishing a task force on adult literacy whose goal would be to propose a new EPE structure that connects the adult literacy field to postsecondary education, workforce development and economic development. Second, the state should commit to enacting that structure with a substantial boost in funding and a promise of regular cost-of-living increases over time.

Make High School Equivalency testing more accessible and meaningful

More than 1.7 million adult New Yorkers lack a high school diploma, a massive problem at a time when even entry-level jobs

in fast food restaurants and retail establishments now often require a high school credential. To have any legitimate shot at a decent paying career, most of these New Yorkers will need to start by obtaining a high school equivalency. Currently, however, too few New Yorkers are taking and passing the state's high school equivalency test. State officials can change this—and help put more New Yorkers on rewarding career pathways—by making targeted investments that improve the state's high school equivalency program and help more New Yorkers prepare for the test.

New York has long had one of the lowest high school equivalency pass rates in the nation. But the state's high school equivalency exam has only gotten more difficult to pass in recent years. In 2014, New York State switched from the General Education Diploma (GED) to a new, more rigorous high school equivalency test, known as the Test Assessing Secondary Completion (TASC). The new exam is moving to computer-based testing, and to the same Common Core State Standards being implemented in the K-12 educational system. Unlike the Common Core transition that's taken place in public schools across the state, however, the transition to the TASC test has been severely under-resourced.

Governor Cuomo and the legislature should take steps to ensure that New Yorkers are prepared to take and pass the TASC. What's most needed is an investment that provides professional development to test instructors so that they can learn to teach the more demanding content and instructional methods of the TASC, and assists test centers in purchasing computers so that they are able to transition from pen-and-paper tests to the new computer-based tests.

There are three things state officials should do in 2016 to improve the state's high school equivalency system. First, the state should provide at least temporary assistance for professional development to strengthen the capacity of adult education teachers to align their instruction with Common Core standards. Second, the Governor and State Legislature should provide funds that enable test providers to purchase computers for use in test administration. Computer-based tests provide instant diagnostic feedback to testers, not only on whether they passed, but where they need more instruction. Furthermore, classrooms equipped with computers for TASC testing can double as instructional spaces for teaching computer literacy. Finally, the state should increase the compensation of test administrators so that non-profits will continue and even expand their participation as TASC administrators. Currently, the fee paid to test providers is at a rock-bottom $25 per test, a level that falls short of the staffing and administrative resources the providers need to register test-takers and administer the test. In fact, the reimbursement rate is so low that a large test provider in the Bronx is planning to exit the program later this year.

When the State Education Department first rolled out the TASC test, the Board of Regents requested $5 million from the Legislature to help with the transition. Unfortunately, the funding did not materialize. It's now time for state officials to make the investments that will lead to more test takers receiving more effective instruction. The result will be a larger pool of adults prepared for colleges and careers.

Create advancement opportunities for home health aides

Home health aides are one of New York's fastest-growing occupations, but also one of the least desirable. Today, thanks to population aging, Medicaid and Medicare coverage, and clients' fierce desire to stay out of institutional care, the number of home health aides has more than doubled to 180,000 since 2005. Yet home health aides earn little, and have few prospects for a stable career. Their median annual wage is $22,050, and even long-serving aides earn little more than minimum wage. Many clients need their aides only for meals, and if a client leaves for a nursing home or dies, the aide may have trouble getting assigned to a new client. Not surprisingly, about one-quarter to one-half of home health aides leave their jobs every year, forcing employers to hire and train another crop of low-income workers.

But a major breakthrough is around the corner that could create a career pathway for home health aides and provide better support for family caregivers at the same time.

A task force of organizations that includes the New York State Nurses Association, AARP and a number of other key stakeholders has proposed an Advanced Home Health Aide title to be recognized in the state's "scope of practice"

regulations. Home health aides with at least one year of experience could undergo rigorous training and certification to become an advanced aide, who would then work under the supervision of a registered nurse. The nurse would assign an additional set of eligible "advanced" tasks, such as administering pre-packaged routine medications. The advanced aide would earn slightly higher wages and a more equal relationship with other care providers, providing an important career step. At present, family caregivers must carry out tasks that Home Health Aides cannot, notably administering routine medications. This can be extremely disruptive to work and family schedules. An advanced aide could make family caregiving far more manageable.

Governor Andrew Cuomo included the proposal in last year's executive Budget, but the bill stalled in the State Senate. This year, the Senate should take steps to work through any legitimate concerns and send the bill to enactment.

Establish a statewide knowledge center and clearinghouse for workforce data

The state spends billions of dollars each year on educating and training future workers through the PK-12 system, public colleges and universities, workforce development programs, and adult literacy programs. This investment in human capital makes a lot of sense given that New York's prosperity in the highly competitive knowledge economy will largely depend on the quality of its workforce. Yet policymakers and the public have little idea which of these programs are actually effective in helping their participants get on career paths that lead to decent-paying jobs. In late 2013, the State Legislature took a big step in the right direction by passing a state law that allows colleges and public workforce programs to access the earnings and employment information of people who completed their programs. For the first time, they—and the state and local officials who fund these programs—can see how their graduates perform in the labor market over time. If used correctly, this information would allow policymakers and the public to determine which programs are providing the best outcomes for their participants, and for program administrators themselves to learn how well their programs are doing compared to others.

Since the law's passage, however, take-up has been slow, particularly outside of New York City. The main problem is that very few workforce agencies across the state have the technological capacity and analytical expertise to use earnings and employment data to measure the effectiveness of their programs while ensuring the confidentiality of sensitive information about participants. It has begun to happen in the New York City, where some large workforce entities, like CUNY, do have the capacity to meet the state's exacting standards for using the information safely and effectively. But in order to ensure that programs in smaller areas of the state with less capacity to do this work can also benefit from this valuable information, New York should follow the examples of Washington State, Maryland and Florida, each of which are national leaders in making use of earnings and employment data to inform their workforce development programs. These states have gone beyond simply providing access to the data; they have established statewide offices and data warehouses that help local entities conduct and interpret their own assessments.

Florida, for instance, created a data and research clearinghouse within their state Department of Education that is funded through general revenues. Maryland has followed a different model, engaging the Jacob France Institute (JFI) at the University of Baltimore to be the state data clearinghouse. Washington State houses its data clearinghouse at the Workforce Training & Education Coordinating Board (WTECB), which is the state's Workforce Investment Board (WIB). WTECB conducts regular evaluations of publicly funded workforce programs and makes summary results available to policymakers and the public.

In New York, the state Department of Labor should take the lead in forming a partnership with an academic institution with a reputation for excellence in analyzing labor market data. The state legislature should then fund a research center at the university that would serve as the state's clearinghouse for wage data. Housing the clearinghouse at a university would allow the state to benefit from the expertise of academics in conducting important research while keeping the data protected. In addition, a university-based clearinghouse would have greater capacity to leverage state dollars with philanthropic dollars dedicated to evaluation of workforce programs.

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CENTER FOR AN URBAN FUTURE
120 Wall Street, 20th Floor, New York, NY 10005

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