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President's Budget Sabotages Pipeline of Skilled Workers

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The Center for Law and Social Policy (CLASP) estimates that nearly half a million people—at least 470,000—would be denied literacy, Adult Basic Education, GED, and English as a Second Language services due to the President's proposed budget cuts. Because states must use 25 percent of their own monies in order to receive federal adult education funds, states may cut back on their own investment in proportion to the federal cut, resulting in even more students being turned away. These cuts doom millions of Americans to unemployment and low-wage jobs. In addition, businesses risk a shortage of skilled workers at a time when the U.S. workforce is aging.

More than 51 million American out-of-school youth and adults lack a high school diploma or GED, and 29 million are in need of English language services.¹ However, only 2.8 million individuals can be served by current public adult education and English language efforts, according to the Department of Education.² Yet the Bush Administration proposes to slash funding for these programs by nearly three-fourths (74.1 percent)—from the current \$501.1 million to \$131.4 million.³

Some states would be especially hard hit:

- More than half of those seeking services would have to be turned away in 11 states—Arizona, Colorado, Georgia, Idaho, Kansas, Mississippi, Nebraska, Nevada, Oklahoma, Tennessee, and Texas—and in Puerto Rico.
- Eleven states would lose 75 percent or more of their federal adult education funding—California, Florida, Georgia, Illinois, Michigan, New Jersey, New York, North Carolina, Ohio, Pennsylvania, and Texas.
- Another 25 states and Puerto Rico would lose at least 70 percent of their grants.

Many of these same states face especially high demand for adult education services:

¹ RTI International. (April 2004). *Profiles of the Adult Education Target Population*. Washington, DC: U.S. Department of Education. Data is from the 2000 Census.

² Except where noted, data cited are from attached table.

³ Even if level funding in the budget for a separate, much smaller state grant program for English Language and Civics Education is taken into account, overall adult education/ESL funding would still be reduced by almost two-thirds. The attached table shows a reduction of \$362.6 million, rather than the \$369.7 million reduction in the entire program, because the table excludes grants to certain territories and other non-state allocations.

- In 17 states, many in the South or Southwest, at least 1 in 4 adults needs adult education and/or English language services.⁴
- In 6 of these 17 states—California, Louisiana, Mississippi, New Mexico, New York, Texas—30 percent or more of all adults lack a high school diploma, have limited proficiency in English, or both.⁵

Without adult education and English language services, businesses will not be able to fill skilled jobs at a time when our previous boom in workers—44 percent growth over the last 20 years—is about to turn into a bust, with no net growth projected in our native-born workforce over the next two decades.⁶ Our aging workforce means we have no one to waste. With the majority of our 2020 workforce already out of the K-12 system, adult education must be a part of our efforts to prepare more skilled workers for jobs.

Further, without adult education, millions of Americans will be unemployed or stuck in low-wage jobs, unable to support their families. Adult education and English literacy services can provide the skills necessary to succeed in the labor market. Those with the skill levels of a typical high school dropout will qualify for just 12 percent of all jobs between 2000 and 2010.⁷ Those who increase their skills and obtain credentials through adult education see sizeable increases in their earnings. In a national study of welfare-to-work programs, those who got a GED saw their annual earnings increase by 30 percent, while those who went on from adult education to postsecondary increased their earnings by 47 percent.⁸ Adult education programs do need to increase the number of students who reach these key milestones, but this is only possible with more funding, not less. For example, resources to provide student support services and to hire more full-time instructors could increase success substantially.

Immigrants supplied half of our workforce growth in the 1990s and will account for all of our net workforce growth over the next 20 years.⁹ However, they can only help meet skill shortages if we help them adapt.¹⁰ More immigrants arrived in the 1990s—13 million—than in any other decade in U.S. history. While six states—California, Florida, Illinois, New Jersey, New York, Texas—are home to about 70 percent of immigrants, even states that have not historically been immigrant destinations have seen rapid growth in recent years.¹¹ For example, Arkansas, Idaho, Minnesota, Nevada, and North Carolina all saw their immigrant populations more than double in the 1990s, rising by over 150 percent.

⁴ The states are Alabama, Arkansas, California, Georgia, Kentucky, Louisiana, Mississippi, Nevada, New Mexico, New York, North Carolina, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, and West Virginia.

⁵ RTI International, 2004.

⁶ Domestic Strategy Group. (2002). *Grow Faster Together. Or Slowly Apart*. Washington, DC: The Aspen Institute.

⁷ Carnevale, A.P., & Derochers, D.M. (2002). “The Missing Middle: Aligning Education and the Knowledge Economy. Presented at Preparing America’s Future: The High School Symposium, sponsored by the Office of Vocational Education, U.S. Department of Education. Washington, D.C.

⁸ Bos, J., Scrivener, S., Snipes, J., & Hamilton, G. (2001). *Improving Basic Skills: The Effects of Adult Education in Welfare-to-Work Programs*. Washington, DC: U.S. Department of Health and Human Services, Administration for Children and Families and Office of the Assistant Secretary for Planning and Evaluation; and U.S. Department of Education. Available at www.mdrc.org.

⁹ Spruck Wrigley, H., Richer, E., Martinson, K., Kubo, H., & Strawn, J. (August 2003). *The Language of Opportunity*. Washington, DC: Center for Law and Social Policy.

¹⁰ Domestic Strategy Group, 2002.

¹¹ CLASP calculations from U.S. Census Bureau 2002 as cited in *The Language of Opportunity* (see note 9).

Not only do English skills increase immigrants' chances of employment, but they also contribute to a family's economic independence. A 1999 report on refugees in the U.S. found that only 26 percent of those who did not speak English were employed, compared with 77 percent of those who spoke English well or fluently.¹² In addition, English fluency increases immigrants' earnings by 17 percent, far more than increases attributed to additional years of work experience.¹³

In sum, slashing adult education funding is short sighted and over the long run will hurt economic productivity and the well-being of millions of Americans.

¹² Office of Refugee Resettlement. (1999). *Annual Report to Congress—1999*. Retrieved from http://www.acf.dhhs.gov/programs/orr/policy/99arc9.htm#_Toc519582113 on February 18, 2005, Table 5.

¹³ Fremstad, S. (2001). *Immigrants and the TANF Program: What Do We Know?* Washington, DC: Center on Budget and Policy Priorities.

Estimated Impact of Proposed FY 06 Cuts in Adult Education and English Language Programs, by State

State or Other Area	2001-2002 Total Enrollment	2001-2002 Cost Per Student	Proposed Cut in State FY 06 Grant	Percent Change in Grant FY 05 to FY 06	Estimate of Students Denied Services	
					Number	% of Enroll.
ALABAMA	19,745	\$744	-6,762,467	-74.0%	-9,086	-46.0%
ALASKA	5,272	\$490	-551,844	-56.6%	-1,126	-21.4%
ARIZONA	32,841	\$343	-6,424,411	-73.9%	-18,742	-57.1%
ARKANSAS	39,521	\$597	-4,002,770	-72.6%	-6,707	-17.0%
CALIFORNIA	526,955	\$1,353	-48,285,856	-75.8%	-35,700	-6.8%
COLORADO	15,053	\$450	-4,139,859	-72.7%	-9,191	-61.1%
CONNECTICUT	32,470	\$1,250	-3,609,032	-72.3%	-2,888	-8.9%
DELAWARE	5,428	\$492	-890,821	-62.7%	-1,812	-33.4%
DIST. of COLUMBIA	3,592	\$991	-785,844	-61.3%	-793	-22.1%
FLORIDA	410,346	\$792	-21,012,068	-75.4%	-26,520	-6.5%
GEORGIA	111,329	\$175	-11,194,552	-74.8%	-64,007	-57.5%
HAWAII	11,065	\$414	-1,210,876	-65.8%	-2,926	-26.4%
IDAHO	9,766	\$279	-1,367,897	-66.8%	-4,903	-50.2%
ILLINOIS	123,867	\$315	-14,888,321	-75.1%	-47,234	-38.1%
INDIANA	44,492	\$835	-7,143,219	-74.1%	-8,550	-19.2%
IOWA	19,367	\$642	-2,852,487	-71.3%	-4,446	-23.0%
KANSAS	10,725	\$463	-2,659,201	-71.0%	-5,744	-53.6%
KENTUCKY	33,807	\$541	-6,332,867	-73.9%	-11,712	-34.6%
LOUISIANA	31,679	\$538	-6,835,442	-74.0%	-12,695	-40.1%
MAINE	11,107	\$1,300	-1,305,679	-66.4%	-1,004	-9.0%
MARYLAND	30,463	\$549	-5,602,876	-73.6%	-10,202	-33.5%
MASSACHUSETTS	24,488	\$1,637	-6,399,039	-73.9%	-3,908	-16.0%
MICHIGAN	75,988	\$2,130	-11,036,293	-74.8%	-5,181	-6.8%
MINNESOTA	42,853	\$897	-4,412,904	-72.9%	-4,922	-11.5%
MISSISSIPPI	35,345	\$239	-4,604,422	-73.1%	-19,280	-54.5%
MISSOURI	39,821	\$400	-6,794,651	-74.0%	-16,973	-42.6%
MONTANA	4,420	\$496	-860,235	-62.3%	-1,733	-39.2%
NEBRASKA	9,209	\$338	-1,648,624	-68.2%	-4,884	-53.0%
NEVADA	7,675	\$480	-2,548,998	-70.8%	-5,309	-69.2%
NEW HAMPSHIRE	6,761	\$566	-1,128,068	-65.1%	-1,993	-29.5%
NEW JERSEY	38,973	\$1,173	-9,761,533	-74.6%	-8,321	-21.4%

State or Other Area	2001-2002 Total Enrollment	2001-2002 Cost Per Student	Proposed Cut in State FY 06 Grant	Percent Change in Grant FY 05 to FY 06	Estimate of Students Denied Services	
					Number	% of Enroll.
NEW MEXICO	21,461	\$361	-2,453,508	-70.6%	-6,796	-31.7%
NEW YORK	182,294	\$600	-24,951,078	-75.5%	-41,596	-22.8%
NORTH CAROLINA	112,601	\$460	-10,997,623	-74.8%	-23,923	-21.2%
NORTH DAKOTA	2,205	\$822	-692,158	-59.7%	-842	-38.2%
OHIO	61,522	\$497	-12,862,223	-75.0%	-25,881	-42.1%
OKLAHOMA	21,543	\$387	-4,378,457	-72.9%	-11,326	-52.6%
OREGON	26,314	\$1,369	-3,613,028	-72.3%	-2,640	-10.0%
PENNSYLVANIA	50,948	\$781	-14,427,520	-75.1%	-18,473	-36.3%
RHODE ISLAND	5,235	\$1,018	-1,407,882	-67.0%	-1,382	-26.4%
SOUTH CAROLINA	92,310	\$257	-5,828,742	-73.7%	-22,695	-24.6%
SOUTH DAKOTA	2,716	\$666	-810,354	-61.6%	-1,216	-44.8%
TENNESSEE	46,971	\$335	-8,377,971	-74.4%	-25,036	-53.3%
TEXAS	120,623	\$427	-31,174,022	-75.6%	-73,088	-60.6%
UTAH	31,415	\$335	-2,053,651	-69.6%	-6,129	-19.5%
VERMONT	1,165	\$3,958	-579,798	-57.3%	-147	-12.6%
VIRGINIA	32,418	\$571	-8,381,918	-74.4%	-14,689	-45.3%
WASHINGTON	57,950	\$589	-5,613,359	-73.6%	-9,536	-16.5%
WEST VIRGINIA	10,640	\$689	-2,761,382	-71.2%	-4,008	-37.7%
WISCONSIN	32,173	\$469	-5,553,220	-73.6%	-11,845	-36.8%
WYOMING	2,231	\$591	-456,580	-53.7%	-773	-34.7%
PUERTO RICO	55,836	\$269	-8,207,546	-74.4%	-30,497	-54.6%
UNITED STATES*	2,784,994	\$770	-362,635,176	-74.1%	-471,133	-16.9%

*Totals do not include territories, with the exception of Puerto Rico, or national programs funding.

Source: CLASP calculations from data from U.S. Department of Education, Office of Vocational and Adult Education, Division of Adult Education and Literacy.

Note: 2001-2002 is the most recent available data for expenditures and enrollment. FY 05 and FY 06 estimated state grants are from 02/07/05 budget tables. The decreases in funding and number of students served are not uniform across states because 1) small states have a minimum level of funding, which leads to larger states having the largest cuts; and 2) the level of state loss is dependent upon how much the state spends per student.