

**Testimony at Hearing on LD 90:
An Act to Strengthen Maine's Workforce and Economic Future**

By Jody Harris, Policy Analyst

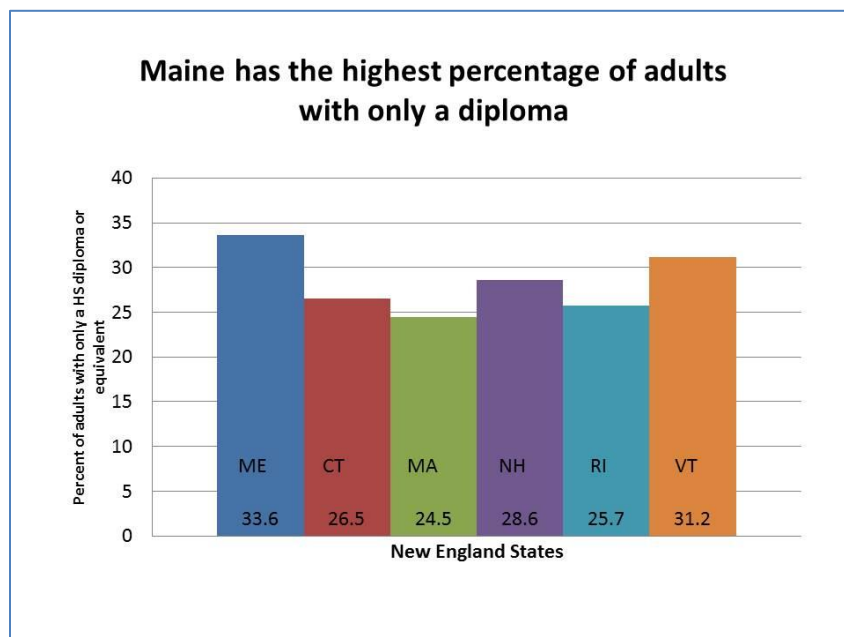
Honorable Senator Goodall, Representative Berry, members of the Joint Select Committee on Maine's Workforce and Economic Future, I am Jody Harris with the Maine Center for Economic Policy and I am here today to support LD 90.

LD 90 is particularly important to enhance the education levels of low-skill, low-income, working adults so they can compete for the higher-paying jobs that will lift them out of poverty.

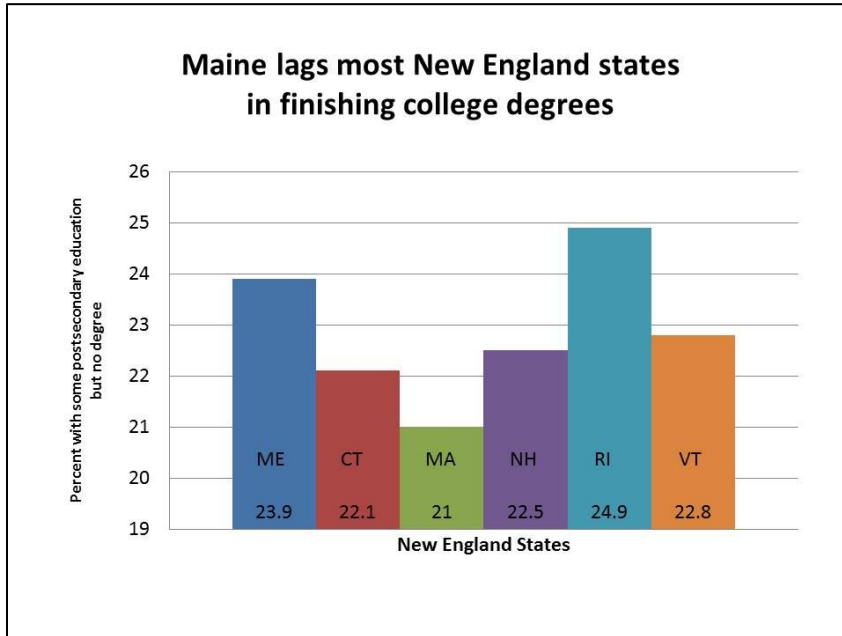
Data show that 69 percent of low-income Maine families work.ⁱ Think about that –more than two out of every three working families in Maine has someone who holds a full-time job (sometimes more than one), but don't earn enough to meet a basic needs budget (calculated at 200 percent of the federal poverty level or \$39,060 for a three person family). One of the best ways to improve the economic conditions of low-income working adults is to improve their knowledge and skills so that they can obtain a better paying job.

We have a long way to go. Maine lags behind New England on a number of indicators:

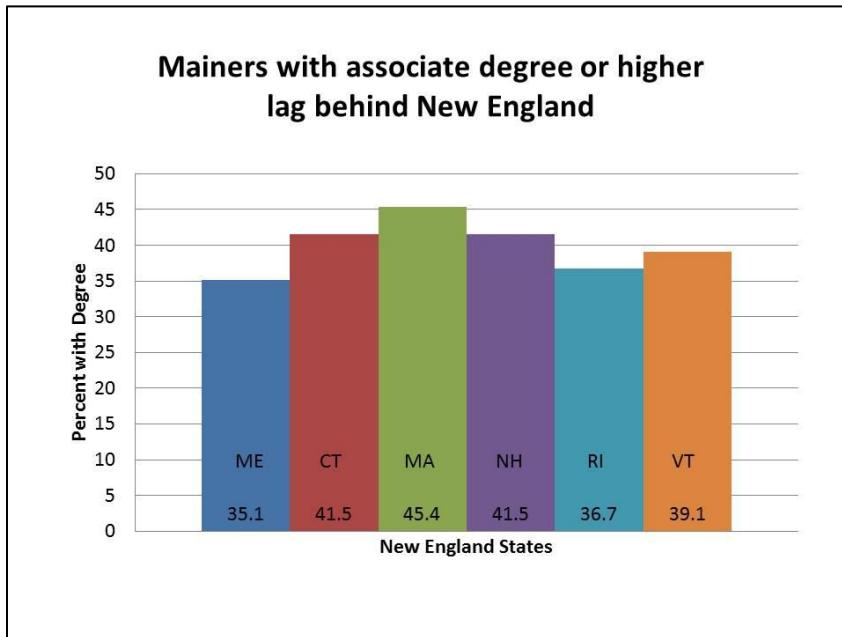
- Nearly 34 percent of Mainers ages 18 to 64 have only a high school diploma or equivalent; the highest in New England.ⁱⁱ



- 24 percent of Mainers ages 18 to 64 have some post-secondary education, but no degree. The rate of degree completion in Maine is less than all other New England states, except Rhode Island.ⁱⁱⁱ



- 35 percent of Mainers ages 18 to 64 have an associate degree or higher. Maine lags behind New England in rate of attainment for higher education.^{iv}



The hard fact is that the vast majority of jobs that pay wages sufficient to support a family require some postsecondary education, **and** low educational attainment is associated with high rates of unemployment and poverty.

Mainers without postsecondary education are mostly in low-paying jobs. In Portland, a single parent supporting one child and earning minimum wage needs to work 108 hours per week to meet her family's simplest needs.^v

Conversely, Mainers earning a credential (with as little as one year of a college) can pull themselves out of poverty, earning \$8,500 per year more than an adult with a high school diploma.^{vi} An individual with a bachelor's degree earns on average \$20,000 per year more than workers with a high school diploma.^{vii}

Working adults want to go to school. Yet, their aspirations do not match their achievement. Data show that each year, roughly 65 percent (nationally) of those who complete the GED say their goal is to obtain further education beyond the GED level. Yet, the GED Testing Service found that only 12 percent of those who completed the GED test in 2004 earned a postsecondary credential by 2010.^{viii}

For low-income working adults to succeed in higher education, the hurdles are immense. Parents have children to care for. Courses are expensive. Financial aid often doesn't pay for part-time schooling. Adult students may lack study skills or computer skills needed to succeed in college.

Clearly for our hardest working families to have the same economic opportunities as the rest of us, Maine needs to do everything it can to support their educational attainment that will lead to better paying jobs.

There are four central issues for state policies to help bring low-income working adults into the college classroom:

1. Affordability
2. Accessibility
3. Aspirational/Confidence to Succeed in College
4. Career Pathways and Credentialing

In addition to the ideas being considered in LD 90, the Maine Center for Economic Policy suggests policy changes in each of these areas in order to ensure that low-income working Mainers can attain the higher education levels needed to achieve economic security.

I will address each of these four areas:

Affordability

- **Help more low-income adults to access financial aid.** Student aid programs in Maine are often geared toward high academic achievers and are awarded on a first-come, first-served basis. This means that those who most need financial aid may not receive it. The state should revisit its policies and consider prioritizing funding for those with the fewest economic resources.

- **Target financial aid programs to low-income adults attending part-time.** Many adult students work and are raising children. They typically face significant challenges in balancing family demands with course work. Often the only way they can attend school is on a part-time basis. Yet many of the financial aid programs are only available to full-time students. Scholarships, financial aid, and interest-free loans for part-time, low-income adults are needed.

1. Accessibility/Eliminate Barriers

- **Maintain and enhance effective student and family supports.** In order for low-income, adult students to successfully complete a degree or credential, they often need supports in addition to—and/or different from—those available to traditional students. They may need more academic advising and mentoring, emergency financial aid, or supports that help them balance school with work and family responsibilities. In one state (Kentucky), the *demand of family responsibilities was the most common reason given for leaving community college before earning a degree.*^{ix}

In Maine, several very effective school and family support programs already exist, which can be upgraded and/or expanded.

- Maine’s Head Start and child care subsidy programs ensure parents have high quality care for children that allow them to work and go to school.
- The Competitive Skills Scholarship program provides grants to low-income students not only for tuition and books, but also for child care, transportation, and emergencies critical for adult students to enter and stay in school. CSSP has the added advantage of being designed to educate students in high-demand careers like health care, computer technology, and library science^x and thus meeting Maine employers’ needs as well.
- Maine College Transitions Program provides career and academic counseling, skill development needed to succeed in college, like study skills, and has the added advantage of being offered on college campuses to familiarize adult learners with the academic environment. Currently the Maine Department of Education provides grants for 22 sites and there is funding in governor’s FY14-15 budget proposal to expand the program to unserved or underserved areas like Kittery, Bethel, Mexico, Livermore Falls, Jackman, Rangeley, and Bucksport.
- **Invest in higher education via the state budget and bonds.** We support LD 90’s provisions to fund the backlog of students wanting to enroll in community college and the Maine Quality Centers. The state also needs to invest in classroom and laboratory space to accommodate more students at Maine community college and University of Maine campuses for high-demand programs like computer technology, health care, and culinary arts.

2. Aspirations

- **Invest in early childhood education.** The Maine State Chamber and Maine Development Foundation's report, *Making Maine Work*, describes how investments in early childhood development will improve educational attainment in the long term. They say that by giving a child higher quality care, Maine has the potential to develop a world class workforce, raise productivity, and increase incomes.^{xi} Improving access to early care and education, especially for low-income families, will enhance educational attainment levels and prepare workers for increasingly skilled jobs.
- **Encourage students who have left college to return and complete their degree through grants and public awareness.** We support the scholarship funding proposed in LD 90 targeted at adults with prior educational credits. We respectfully suggest that the committee consider directing some of these funds to low-income adults in order to prepare them for better-paying jobs.

Low-skilled adults, unlike traditional high school students going on to college, are dispersed in the workforce and difficult to reach to persuade them to return to college. A number of states have initiated targeted marketing and public awareness campaigns to reach low-income adults. Marketing to low-income adults requires a different approach such as stressing affordability and the value in obtaining a better job. New Jersey launched a grant program in 2010 for higher education institutions to identify and contact students who completed some college but did not attain a degree. The institutions then provide counseling and financial aid advising services.^{xii} This financial guidance is particularly important, as low-income adult students need help to understand how much they can borrow for their career choice. It is possible to get many more loans than can realistically be repaid on a nurse's salary, for example. It may be useful to explore how effective these other states' marketing and counseling programs have been.

3. Credentialing

- **Ease the transfer of credits between and within UM system/CC system.** We support the committee's goal of a seamless transfer of credits between the community college and the university of Maine and the UM trustees' work to improve the transfer of credits within the university system.
- **Provide credits for learning that takes place outside the formal classroom environment.** Today, learning frequently takes place outside of the classroom. It can occur through formal training offered by an employer or participation in a community leadership program, for example. Credits could be offered to immigrants who speak a foreign language, for example, or for skills acquired through volunteering, cultural activities, or activities at home such as taking care of child. The European Commission is looking at ways to validate such learning experiences.^{xiii} We encourage the committee to explore how this important and relevant learning can be applied to help working adults gain credentials.

We recognize resources are limited. While it would be nice to make progress in all these areas at the same time, an appropriate starting point may be to focus on individuals who have some college and building a suite of aid and supports to increase the success of these individuals in upgrading their education and skills appropriately.

I think we must also build a set of shared outcomes that focus on each of the populations we want to target –low-income working adults, adults with some postsecondary, and students just coming out of high school. Each group needs a different suite of resources and support.

Thank you for the opportunity to present to you today. Thank you for the hard work you have put into this effort and for the innovative ideas already contained in LD 90.

I am happy to answer any questions you may have.

ⁱ Working Poor Families Project using the American Community Survey (ACS), the Current Population Survey (CPS), and the Occupational Employment Survey (OES). Available on-line at <http://www.workingpoorfamilies.org/indicators/>. Accessed March 14, 2013. Data are for Mainers at 200% below the poverty level in 2010.

ⁱⁱ Ibid.

ⁱⁱⁱ Ibid.

^{iv} Ibid.

^v Martin, Garrett. Fostering Financial Stability in Cumberland County. Maine Center for Economic Policy: Augusta ME, February 2012.

^{vi} Washington State Board for Community and Technical Colleges. Building Pathways to Success for Low-Skill Adult Students: Lessons for Community College Policy and Practice from a Longitudinal Student Tracking Study, April 2005.

^{vii} U.S. Bureau of Census. Educational Attainment in the United States: 2009, February 2012.

^{viii} Hilliard, Tom. Graduating to College: Three States Helping Adult Education Students Get a College Education. Working Poor Families Project: Chevy Chase, Maryland, Summer 2012.

^{ix} Spaulding, Ashley. Crossing the Finish Line: Overcoming Barriers to Community College and Credential Attainment in Kentucky. Kentucky Center for Economic Policy: Berea, KY, undated.

^x Librarians are one of the teaching areas identified by the US Department of Education where there are shortages in Maine through 2012. See: http://www.shorter.edu/academics/financial_aid/high_need_teaching_fields_state.pdf.

^{xi} Maine Development Foundation and Maine State Chamber. Making Maine Work: Investments in Young Children, January 2012.

^{xii} Hilliard, Thomas. College Access Challenge Grants: Including Adult Learners, Strengthening Student Success. Working Poor Families Project: Chevy Chase, MD, Fall 2010.

^{xiii} European Commission. "Life Long Learning Policy." Available on-line at: http://ec.europa.eu/education/lifelong-learning-policy/informal_en.htm. Accessed March 15, 2013.