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Exclusive articles on state policy, politics and trends from the staff of Stateline.org

Tuesday, July 14, 2009

Tracking the recession: Stimulus helps revive summer youth jobs programs

By Christine Vestal, Stateline.org Staff Writer

Photo courtesy of the Commonwealth Corporation, Boston, Mass.

Francis Martin, Kaitlin St. Denis and Kelly Marston were among 13 youths who worked on the U.S.S. Massachusetts in Fall River, Mass., last summer scraping, painting and cleaning the battleship. Thanks to new state and federal funding, the program will be repeated this summer. School's out and young job seekers across the country have a less-than-30-percent chance of finding work. For disadvantaged youths – high school dropouts, teen parents and minors with a criminal record – the odds are worse.

“We’re talking about young adults whose lives are pretty screwed up. They have a tough time finding work even in the best times,” said James M. Golembeski, director of Wisconsin’s Bay Area Workforce Development Board.

In this recession, college graduates, senior citizens and dislocated workers of all ages are snatching up so many low-wage jobs that few are left for youths. On top of that, many of the retail outlets and restaurants that normally hire students during the summer are cutting back or have gone out of business.

But thanks to a \$1.2 billion federal stimulus fund, states are revitalizing summer youth programs that have languished over the past decade because of declining federal funding. Allocated to states over a two-year period and then distributed through local workforce agencies, the stimulus program allows states to subsidize jobs and create training programs for 14-to-24-year-olds who come from low-income families and have one or more risk factors, such as foster care, homelessness or teen pregnancy.

Starting this month, states are using the new money to hire young people for jobs as varied as cleaning state parks, scrubbing the decks of docked battleships, assisting in underwater environmental studies and working in offices and hospitals. In addition, most programs squeeze in time for academic assistance, particularly for kids struggling to finish high school.

Despite severe budget gaps, Massachusetts Gov. Deval Patrick (D) added more than \$8 million in state money to \$21.1 million in stimulus funds to create a wide variety of summer jobs for 10,000 youths over the next two years. In Wisconsin, Golembeski plans to use his region's share of stimulus funding to train older youths on interviewing techniques and general workplace skills so they can find permanent work when the economy begins to recover. And in rural Oregon, \$3 million in stimulus funding is slated for an innovative engineering project that will employ 1,200 disadvantaged youths.

Wisconsin's youth program starts with a three-week, intensive work-readiness training program. Dubbed Work Certified, the program is the brainchild of Florida's workforce agency, but Wisconsin is the first to try it out on youths. Those who complete the program will get a certificate that is widely recognized by local businesses and should help them land a permanent job. They also get a \$650 stipend – minimum wage for the three weeks they spent in class. After that, youths can pursue a variety of subsidized summer jobs.

According to the U.S. Department of Labor, nearly half of all youths ages 14 to 21 had jobs in 2000. Now fewer than one in three can find work – the lowest youth employment rate since the federal government started tracking youth jobs in 1948.

For every year that teens work, their income in their twenties rises 14 percent to 16 percent, said youth employment expert Andrew Sum of Northeastern University. In addition, research shows that girls who have jobs are much less likely to become pregnant and boys are less likely to get involved in property crimes and drug use. High school graduation rates also go up for kids with work experience.

Research also shows that increased youth joblessness can contribute to flare-ups in crime and gang activity during the summer months. "I figure if we keep even one youth from being incarcerated, we've saved the state at least \$90,000. That's a pretty good return on investment," Golembeski said.

In rural parts of the country, kids have the added problem of isolation. "They have no grasp of career possibilities. They need to experience something outside of their little towns," said Kris Latimer, chief of Oregon Workforce Alliance.

Eighty percent of Oregon is sparsely populated and public transportation is non-existent, making it nearly impossible for kids to travel to and from a work program. So Latimer's group created a sleepover work camp in the Cascade Mountains where 1,200 youths will work on a research team building a remote-operated vehicle for underwater and volcanic exploration.

This summer, because thousands of middle-income teens and their families have been hit hard by the recession, critics in many communities are arguing the stimulus money should not be reserved just for low-income kids with problems.

“There are a lot of questions about why middle-class kids can’t be part of the program,” said Nancy Snyder, president of Massachusetts’ Commonwealth Corporation, which administers the state’s youth jobs program. “I’m really sensitive to that and try to give guidance to non-eligibles on how to look for a summer job.” Although the stimulus money is welcomed, advocates say that the \$1.2 billion will help only a fraction of at-risk youths and that because summer programs have been dormant for so long, states will be hard-pressed to quickly create high-quality programs because most of their business contacts are no longer available.

“We’re encouraging folks to think of the stimulus as a building block for the future,” said Mala Thakur, director of the National Youth Employment Coalition. For the fiscal year that ended in June, states received \$950 million for youth job creation under the Workforce Investment Act; next year the federal budget proposal is \$924 million, in addition to the stimulus funding.

The severity and duration of this recession does not bode well for youth job creation, which Sum said has lagged several years behind adult jobs in previous economic downturns. “Don’t expect any growth in teen jobs until 2012,” he said.

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Contact Christine Vestal at cvestal@stateline.org.

Thursday, July 16, 2009

Getting it right for community colleges and the nation's workforce

By David Shaffer, in a commentary for Stateline.org

President Obama's proposed \$12 billion program for the states' community colleges comes as good news in a tough time for the nation's two-year schools, which are facing budget cuts — even as the recession and a phalanx of laid-off workers needing retraining have sent their enrollments soaring.

But the long-term impact of the president's program will depend in part on whether the final legislation, and its implementation, aim at fixing the right things.

Much of the current talk about community colleges focuses on increasing the number of students who receive associate's degrees. Producing two-year degrees, however, is only part of what community colleges do — and not the only important part.

As the president emphasized, constant, steady improvement in the education levels, skills and productivity of the American workforce is essential for our prosperity and economic growth. Progress on that front has stalled. The Aspen Institute, for example, projects that while the share of our nation's workforce with at least some education beyond high school grew by almost 20 percent between 1980 and 2000, it will grow by barely 5 percent between 2000 and 2020. The Brookings Institution says the percentage of high-school graduates who go on to get four-year college degrees has hardly budged in 35 years.

Community colleges may not seem glamorous. But the president is targeting them because they are where the action is, in terms of upgrading our workforce.

The Bureau of Labor Statistics projects that about 45 percent of the jobs that come open in the next five years will require more than a high-school education, but less than a four-year degree. That's more than a half-million job openings a year, according to the Urban Institute. These "middle skill" jobs include everything from dental hygienists to electricians to firefighters.

Jobs you can get with only a high-school diploma, or less, are projected to account for less than half that many openings. Perhaps more surprising, jobs requiring a four-year degree or better are projected to account for only about 33 percent of openings.

The president's plan would back up \$2.5 billion in construction loans to help community colleges upgrade their facilities and enroll more students — on top of about 12 million today. It would provide \$500 million to develop online courses that could be offered by community colleges everywhere. And it would provide \$9 billion in "challenge grants" to community colleges that have plans to improve job training programs, expand adult education and/or improve their completion rates.

Graduation rates are widely described as the weak point in the community college system. Public two-year colleges in the United States enroll about 4 million full-time-equivalent students in for-credit courses, but produce only about 500,000 associate's degrees each year. That's only about one-quarter of the number of degrees you might expect in a perfect world — one in which each full-time student completed the degree in two

years. (Public four-year colleges, by contrast, produce about three-quarters of the number of bachelor's degrees you would see if every full-time student graduated in four years.) And of the two-year degrees produced by community colleges each year, only about 300,000 are in subjects with obvious, immediate employment potential, such as nursing or criminal justice services; 40 percent are in liberal arts and sciences, general studies or humanities.

But do these numbers mean that community colleges are broadly failing to do their job? On the contrary, they mean that if we think their job is just to produce associate's degrees, we may be thinking too narrowly.

Many young people use their local community college as a bridge to a four-year college — some getting a liberal arts degree as a transfer credential, but many others simply transferring credits without waiting to complete a two-year degree. Many community college students take only a course or two to tune up some specific skill or area of knowledge, and never intend to get a two-year degree. (In fact, many who do this are already college graduates.) Others enroll to get a certificate in some specific job-related area, such as carpentry or auto mechanics.

Finally, many community college students do not take courses for credit at all. They take non-credit courses that are often designed around job skills, oriented toward one or more local employers. The American Association of Community Colleges estimates non-credit students number about 5 million.

These non-credit courses won't lead to graduation. But often they have a more immediate link to a skill, an employer and a job than the degree programs themselves. So if we focus only on graduation rates, we may miss much of what community colleges can do to meet the nation's workforce needs.

David Shaffer is a senior fellow at the Nelson A. Rockefeller Institute of Government, the public policy research arm of the State University of New York at Albany.

Thursday, July 16, 2009

Midwest vies for stimulus aid for fast rail

By Daniel C. Vock, Stateline.org Staff Writer

The race is on for states that want to build high-speed rail routes to whisk passengers hundreds of miles from city to city without the hassle of flying.

Congress sounded the starting gun by offering \$8 billion in stimulus money to promote faster passenger rail service. Applications for the money, which likely will be parceled out all over the country, are due Aug. 24. But there already are two clear front-runners, offering contrasting approaches.

California dreams of bullet trains that could speed the 432 miles from San Francisco to Los Angeles in little

more than two and a half hours. The European-style trains would cruise on all-new track, hitting 220 mph in places. California voters in November approved spending \$10 billion to start building the new network, but it wouldn't be finished until 2020 at the earliest.

The other chief competitor is a coalition of nearly a dozen Midwestern states betting that slow and steady wins the race. The Midwestern trains would reach top speeds of 110 mph, faster than the 79-mph limit of most Amtrak trains today but only half as fast as those on the drawing board in California.

Proponents of the Chicago-based network, though, boast that their plan could get the first trains up and running in as little as four years once states have enough money in hand. The Midwestern trains would use existing tracks with improved signals, wider turns and safer road crossings.

There is another major difference between the top two contenders: A train whisking along from Sacramento to San Diego would cover 588 miles but never cross a state border. In the Midwest, a passenger boarding at Chicago's Union Station could end up in one of nine states once the entire network is upgraded.

Of 10 high-speed rail corridors designated by the federal government that are best-poised for the \$8 billion in stimulus money, most are like the Midwest initiative and would involve regional cooperation and teamwork among states. Only Florida has an entire route contained within its borders. (The federal government even expanded the California corridor in early July to include the possibility of a spur to Las Vegas.)

Chances that the stimulus could favor the Midwestern effort are buoyed both by years of planning and a lucky turn of political events.

For more than a decade, Midwestern states have quietly worked on a plan to build a high-speed rail network centered in Chicago and sprawling for 3,000 miles.

"The Midwest has been planning for so long, it's in a very strong position," said Laura Kliewer, the director of the Midwest Interstate Passenger Rail Commission, which promotes passenger service in the region. She noted that the states already studied how often trains would run, how much time they'd save and how many people would use them.

For example, a trip between Chicago and St. Louis would go from more than five hours to fewer than four, even though the diesel-powered trains would not be quite as fast as Amtrak's electric-powered Acela trains between Boston and Washington, D.C.

The Midwest rail initiative also benefited when Barack Obama, a Chicago native, won the White House and made high-speed rail a priority when crafting his economic stimulus package.

U.S. Transportation Secretary Ray LaHood, a former Illinois congressman, has made clear that the Midwest

rail project is a priority for the White House.

“This is the president’s initiative. I mean he and (White House chief of staff) Rahm (Emanuel) personally saw to it that Congress included \$8 billion for high-speed rail. And I don’t want to answer to the president why we’re not doing something in the Midwest,” LaHood told the Chicago Tribune.

A letter (PDF) signed by eight Midwest governors to LaHood also pointed out that high-speed rail would be “greatly beneficial” to Chicago in its bid to host the 2016 Olympic Summer Games.

The first stage of the plan would be to connect Chicago to St. Louis, Detroit and Madison, Wis. Later, the faster trains would reach Omaha, Neb.; Kansas City, Mo.; Minneapolis; and Cincinnati.

The \$8 billion to create new high-speed rail routes is 10 times as much as Amtrak’s nationwide passenger system spent on building projects last year. And it’s far more than supporters expected.

“We were trying to get half that,” said Kliewer.

But coordination remains an issue, both to get the stimulus money and beyond. First the Midwest states must determine whether a single entity will lead the effort to get federal money for different pieces of the network. LaHood told Chicago business leaders in May that there should be a single Midwest “rail czar” to coordinate the effort.

Minnesota may spearhead the effort to pay for environmental studies of a route between Madison, Wis., and the Twin Cities. Wisconsin, meanwhile, would focus on fixing tracks and crossings between Chicago and Milwaukee and replacing parts of an abandoned line between Milwaukee and Madison, said Ron Adams, the chief of harbors and railroads for the Wisconsin Department of Transportation.

And Illinois asked the federal government just last week for money to study a speedier alternative to the 110-mph trains. In early July, the Midwest High Speed Rail Association, an advocacy group, released a study calling for 220-mph trains between Chicago and St. Louis, which would make the trip possible in just two hours. Now Illinois wants to further evaluate that option.

Illinois Gov. Pat Quinn (D) is trying to organize a meeting of Midwestern governors in late July to plan their approach. Quinn also met with Missouri Gov. Jay Nixon (D) in late June to sign an agreement between their states regarding a Chicago-to-St. Louis route.

The stimulus money wouldn’t be enough to complete the Midwest’s plans, which would cost \$9.6 billion and take 10 years to complete. The remaining money likely would have to come from a highway bill Congress is now working on. The first draft of that law (PDF summary) includes money for high-speed rail for the first time, with a \$50 billion effort over six years.

Contact Daniel C. Vock at dvock@stateline.org.

Friday, July 17, 2009

Weekly wrap: States dispute charge that stimulus isn't working

State and federal transportation officials are rebutting critics who say the \$787 billion economic stimulus package is not working fast enough and has favored states over cities in distributing dollars for transportation projects.

In a flurry of recent articles and TV appearances, the critics, led by Republicans in Congress, have stepped up their attacks on the Obama administration's plan to create or save 3.5 million jobs. Many, including House Majority Leader John Boehner of Ohio, had said before the stimulus was even approved that it wouldn't work.

Then state and federal officials were put on the defensive by an analysis of 5,274 transportation projects in The New York Times showing that urban areas are getting less than two-thirds of federal transportation stimulus money even though most Americans live in those areas.

The American Association of State Highway and Transportation Officials put together a news conference July 14 in Seattle to refute the GOP criticism. Washington state Transportation Secretary Paula Hammond said 2,000 construction projects worth \$6 billion are in progress nationwide — with more on the way. The stimulus program will channel \$27 billion to states for highway and bridge projects, she said.

"We'd have a higher percentage of unemployment if we didn't have these stimulus dollars," Hammond said at the news conference.

Officials did not dispute the Times' analysis but said they are confident the money is reaching urban and rural areas. In an interview with Stateline.org, Hammond said 51 percent of the stimulus funds are being spent in economically distressed areas, which includes cities.

"Clearly the money didn't go far enough to satisfy everyone," Hammond said, adding that states were guided by the administration's requirement to give priority to "shovel-ready" projects that were ready to go, regardless of where they were located in a state. "We think the money is being used where it's needed."

The Obama administration also weighed in. Transportation Secretary Ray LaHood said in a speech that in Pennsylvania, nearly 40 percent of the state's unemployed live in about 40 economically depressed counties, where nearly half of the stimulus-funded road projects are located. "So these funds are indeed going to workers and their families who are most vulnerable during the recession," LaHood said. "And that's true around the country."

Day 17 of the State Budget-Showdown Crisis. As of July 16, the number of states without a budget was down to three. Still without a budget after missing the July 1 start of the new fiscal year: Connecticut, North Carolina and Pennsylvania. Illinois Gov. Pat Quinn (D) signed a \$26 billion operating budget Wednesday (July 15) that did not include the income-tax increase he wanted but averted deep spending cuts by relying on borrowing to balance the budget. Ohio is close: Legislators approved a two-year, \$51 billion budget Monday (July 13) that Gov. Ted Strickland (D) was planning to sign. Arizona Gov. Jan Brewer (R) signed a budget deal July 15 but lawmakers are meeting in a special session this week to make fixes. California and New York approved budgets earlier in the year, but both have shortfalls now as revenue has fallen lower than projected and legislatures are working overtime to try to close the gap.

Meantime, two governors have turned to the Internet to build public support for their budget positions. Check out the YouTube videos of Pennsylvania Gov. Ed Rendell (D) and California Gov. Arnold Schwarzenegger (R) on their states' respective budget crisis.

-Stephen C. Fehr

Friday, July 17, 2009

Report: State tax revenues see record drop

By Pamela M. Prah, Stateline.org Staff Writer

It's no wonder states are having problems balancing their budgets. The decline in state tax collections in early 2009 was the "sharpest on record," according to a new report released July 17.

State tax revenues plunged nearly 12 percent in the first three months of 2009, the worst in the 46 years for which quarterly data are available, the Nelson A. Rockefeller Institute of Government said in its latest state revenue report. The drop exceeds those of recent recessions, the report said.

The report comes as all but a handful of states have finally cobbled together new budgets for the fiscal year that began July 1, but many already are scrambling to fill gaps as revenues projections are off the mark. Unlike the federal government, states must balance their budgets.

The Rockefeller Institute found that total state tax collections from three major sources – sales tax, personal income and corporate income – all fell for the second consecutive quarter. Forty-five states experienced revenue drop-offs, the report said.

All regions saw total state tax collections sink but the Far West saw the largest drop at 16 percent. Personal

income tax nose-dived, plummeting an unprecedented 17.5 percent.

Local tax revenue remained stronger than state taxes, with growth of 3.9 percent for the quarter.

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Contact Pamela M. Prah at pprah@stateline.org.

Sunday, July 19, 2009

Biking and walking: Our secret weapon?

By Neal Peirce, syndicated columnist

More fitness. America's obesity epidemic curbed. Less gasoline burned, fewer carbon emissions. Safer streets. Improved access to public transit.

Those are just some of the reasons why biking and walking proponents say it's time for the federal government to focus less on new and expanded highways, and far more on safe pathways and "complete streets" for our towns and cities.

Right now there's a shadow over all transportation funding as gas taxes diminish, the Highway Trust Fund sputters on empty, and reauthorization of the overall federal support program almost assuredly faces a year's postponement.

But maybe the pause is time to debate: Why should we seriously consider federal support for sidewalk widenings or new pathways for city dwellers and suburbanites?

Congressional Republicans seem to have few doubts about the answer. House Minority Leader John Boehner (Ohio) and Republican Whip Eric Cantor (Va.) have joked about the government's existing \$833 million a year for pedestrian and bike facilities and protecting historic neighborhoods. They'd ax the program altogether.

But—even when Republicans firmly held Congress, the House in 2003 voted overwhelmingly, 327-90, to keep the transportation enhancements program in place. Today, arguably, the case is even more compelling.

A top new argument: obesity. A stunning 34 percent of adult Americans are currently obese, another 32 percent clearly overweight, according to the Centers for Disease Control and Prevention. Excessive weight now causes more deaths than smoking. If the fat crisis can't be dealt with, rising levels of heart disease and diabetes will assuredly swamp the nation's efforts to reduce spiraling health costs.

What's the answer? Yes, diet. But more physical activity, too. We've allowed autos to carry us everywhere, even walkable distances of less than a mile (and even, in many cases, to the gym)! Our bodies fatten inexorably. One estimate of the country's annual medical bill for physical inactivity: \$117 billion.

Children are a chief concern: in 1969, 50 percent walked to school; by 2004 the figure was down to 14 percent. It's the same reason so many adults fail to enjoy the low-impact, weight-trimming exercise of close-to-home walking or biking: local planning that provides thin if nonexistent sidewalks, dangerous-to-cross highways, and sprawling development.

Walkers, bikers and public health advocates have embraced the existing federal transportation enhancements program as a start at sparing us a 100-percent asphalt future. But spread nationwide, the program's yearly outlay is thin—just a quarter more than a single \$676 million highway cloverleaf in Virginia, for example.

It's time, argues Keith Laughlin, president of the Rails-to-Trails Conservancy (railstotrails.org), for a mega-federal step forward—toward “active transportation.” What would that mean? A quick answer: Walking and biking accepted as legitimate, viable and healthy transportation modes, worthy of priority, not last-and-maybe federal support.

Cities that have already invested seriously in walking and biking access are demonstrating solid results,

Laughlin claims. The lead example: Portland, Ore., where \$57 million has been spent on in a 300-mile bikeway/pedestrian network since 1991. Portland bicycling has lately increased up to 15-20 percent a year, and another \$100 million trail investment is planned. By 2040, Rails to Trails calculates, Portland's net benefit from better health and reduced fuel savings will be \$1.2 billion, representing an eye-catching 8-to-1 return-on-investment ratio.

Could such gains be mirrored nationally? Up to 100 communities, 10 states included, have at least endorsed the "Complete Streets" movement (www.completestreets.org). And the last federal transportation reauthorization did include a pilot program encouraging four communities—provided with \$25 million each—to devise their own programs to encourage "mode shifts" to walking and biking. Columbia, Mo., Sheboygan County, Wis., Minneapolis, Minn. and Marin County, Calif., were selected for the program, which Rails to Trails administers for the government.

Rails-to-Trails says the pilots are doing well and it's time to expand the program to 50 more cities, funded at \$50 million each, across the country. That would cost \$2.5 billion. Rep. James Oberstar, the House Transportation Committee chair who authored the pilot program in 2003, is holding back, apparently seeking more conclusive evidence.

What's indisputable is that several cities—among them Cleveland, San Diego, Altoona (Pa.), Billings (Mont.) and Madison (Wis.)—are straining at the bit, working with trail advocacy groups to appeal for significant federal support to mount full-bore walking/biking plans and construction.

Their case is strong. We've had a near-century of overwhelming federal funding preference for the automobile. Rails to Trails calculates that a nationwide promotion of biking and walking for short trips could cut miles driven by 70 billion miles to 200 billion miles from what Americans drive yearly. And we'd reduce our oil consumption and greenhouse gas emissions by at least 3 percent, and with luck as much as 8 percent.

Then also consider the dramatic health gains possible from more active, less sedentary lifestyles. It turns out that major walking and biking efforts aren't some joke, or just an interesting idea. They're imperative.

Neal Peirce's e-mail is npeirce@citistates.com.

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