Workforce

The 43 counties along the Border have a lower average per capita income than anywhere else in the state. The Border's fast growing labor force, coupled with limited opportunities, creates high unemployment and lower wages. Moreover, the fact that the Border has a very young population and workforce but does not have the training and state support to facilitate gainful employment leads to a pervasive and crippling poverty cycle.

Workers living in the Border Region face great obstacles in finding and retaining stable employment. Without the opportunity to develop skills through training, many Border Texans enter the workforce at a disadvantage. In today's knowledge-based economy, not having access to technology training is a major barrier. Additionally, with a large number of Border Texans speaking Spanish as their primary language, there is a great need for bilingual skills development curriculum.

Unfortunately, workforce training along the Border has not been funded at a level that allows such programs to be developed and maintained. In addition to this barrier, limited access to childcare and transportation poses another impediment to the achievement of a thriving workforce. With barrier upon barrier heaped onto the families and communities in the Border Region, creating and maintaining an economy and an environment that will end the cycle of poverty is a daunting challenge.

Barriers to Entering the Workforce

There are many challenges to improving the state of the workforce along the Border, including a lack of training and limited access to technology, affordable and reliable childcare, and transportation. State and local governments can and should address these obstacles so that Border families can work, earn more money, and break the cycle of poverty.

Educational Attainment and Lack of Training

To transform the Border's economic base from one rooted in low-wage manufacturing jobs to a more diverse economy that offers a range of employment opportunities and growth, better education and skills development must be emphasized. Communities along the Border do not offer the fast growing and young population sufficient opportunities for personal and professional advancement. Statistics indicate that many people in the employment-aged population do not currently have the education and skills training necessary to compete economically.[i] The Border Region depends on manufacturing jobs that are being performed by workers who often lack the resources to continue their education beyond high school. Thus, increasing educational opportunities is imperative.

According to the Texas Comptroller, as many as 43 percent of people aged 25 or older living in the 14 counties adjacent to the Border do not have high school diplomas. The chart, *Educational Attainment in Texas*, shows the disparity between the Border counties and the rest of Texas.

Educational Attainment in Texas

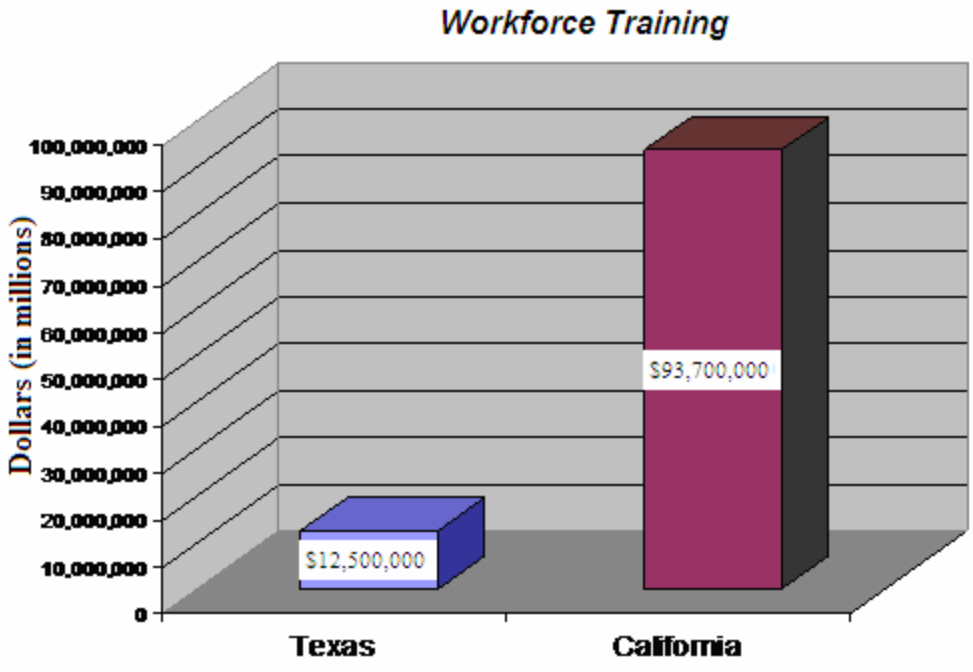
	Most Recent Year	14 County Actual Border Region	32 County Sub-border (La Paz) Region	43 County South Texas Border Region	Texas	221 County Non-border Region
Percent of population 25 years and over with:						
Some college education, but no degree	2000	17.6%	17.5%	20.7%	22.4%	22.7%
Bachelors degree	2000	9.3%	9.1%	11.2%	15.6%	16.6%
Postgraduate degree	2000	5%	4.9%	6.3%	7.6%	7.9%
Associate degree	2000	4.1%	4%	4.9%	5.2%	5.3%
No high school diploma	2000	43.2%	43.2%	33.6%	24.3%	22.2%
School enrollment as percent of population	2002-2003	24.6%	22.4%	21.7%	19.2%	18.6%

Source: *The Border: Snapshot*. Texas Comptroller of Public Accounts, www.window.state.tx.us/specialrpt/snapshot/. Accessed: April 21, 2004.

Further, Border universities and professional schools lack the programs and the capacity to accommodate the population on the Border, and the state does not allocate adequate resources for infrastructure growth. Post-graduate opportunities for allied health and nursing, medical, and legal education, as well as financial assistance, are severely lacking along the Border as well.

More than a third of job applicants nationwide lack the basic math and reading skills to do the jobs they are seeking, according to the American Management Association. In addition to limited opportunities for traditional educational attainment, workforce skills development training is not readily available along the Border.

With the shrinking maquiladora sector, the slowing trade industry across the Border and the growing need to diversify the economy, Border residents are in an economic watershed and must be prepared for the next economic phase. Texas needs to make a stronger commitment to investing in workforce development and training programs. Compared with California, Texas invests shockingly little in these important programs. California invests $7.50 for every $1.00 that Texas spends to train the workforce. The chart *Workforce Training*, on the next page, illustrates this disparity.



Source: Texas Workforce Commission, Government Relations. Provided: March, 2004.

To meet the specific needs of the Border Region, Texas must invest in targeted and proven programs. This approach must be coupled with effective employer-driven skills development. A more effective use of state and local funds would be to focus on preparing workers for higher-skilled, better paying jobs.

Developing a holistic approach to workforce development ensures that trainees are prepared not only for a job, but also for advancement within a field. While this holistic approach is expensive, established programs indicate that a successful process is within reach. For example, in El Paso, Project ARRIBA is helping the business community in El Paso develop a workforce for tomorrow's global marketplace.

Project ARRIBA is a high impact economic development program focusing on high-skill, high-wage jobs. With the changing El Paso economy, El Pasoans who have worked hard and have been loyal to their employers, but have never advanced their education, face the loss of not just their jobs, but of their careers and ways of life. As El Paso manufacturers and healthcare institutions struggle to deliver higher-quality and more responsive services, they create a growing demand for high-skill labor. Project ARRIBA participants receive career counseling, support services, high quality training that includes formal motivational and life-skills training, and post-employment assistance designed to promote long-term success.

Language Barriers

Over the last year, the downturn in our economy, combined with resulting changes in local economies, has resulted in increased competition for available jobs. In some areas, additional pressures, such as continued labor reductions due to trade dislocations, have added to

labor market competition. These pressures have impacted lower skilled workers strongly. Yet, as competition for jobs tightens, the skills demands required by employers have continued to increase, especially for strong English literacy.

The specific needs of the Border Region can be illustrated with an example from El Paso. According to the United States Census Bureau, El Paso's population is 78.2 percent Hispanic. Moreover, many people in the El Paso community have limited English or no English communication skills. Data on language use suggests that many in the Border Region lack the basic English language skills necessary to effectively compete in the labor force and to access services. Thirty-eight of the region's counties show higher proportions speaking non-English languages at home in 2000 than the State as a whole, and in 18 counties the percentage speaking a language other than English at home exceeded 70 percent. More importantly, as the chart *Percentage of Residents Who Speak Primarily Spanish at Home, and Proficiency in English* illustrates, in nearly a third of the counties, more than 20 percent of those speaking Spanish at home either do not speak English at all or do not speak the language well.

Percentage of Residents who Speak Primarily Spanish at Home, and Proficiency in English

		Ability to speak English			
Border County	**Percent that Speak primarily Spanish at Home**	**Very Well**	**Well**	**Not Well**	**Not at All**
Atascosa	45%	64%	24%	11%	2%
Bandera	14%	73%	16%	9%	3%
Bexar	43%	66%	20%	10%	4%
Brewster	43%	70%	18%	10%	2%
Brooks	78%	64%	23%	9%	3%
Cameron	79%	55%	20%	14%	11%
Crockett	48%	60%	26%	10%	4%
Culberson	73%	63%	20%	9%	8%
Dimmit	77%	62%	24%	10%	5%
Duval	78%	66%	23%	9%	2%
Edwards	47%	62%	21%	12%	5%
El Paso	73%	55%	21%	14%	10%
Frio	61%	63%	24%	10%	3%
Hidalgo	83%	54%	21%	12%	13%
Hudspeth	74%	46%	16%	19%	19%
Jeff Davis	37%	59%	18%	18%	6%
Jim Hogg	82%	66%	22%	10%	3%
Jim Wells	63%	65%	24%	10%	2%
Kenedy	85%	57%	19%	15%	8%
Kerr	18%	59%	25%	12%	4%
Kimble	18%	63%	13%	18%	7%
Kinney	47%	58%	24%	13%	5%

Kleberg	55%	69%	21%	8%	2%
La Salle	70%	60%	27%	9%	4%
Live Oak	30%	71%	18%	9%	2%
McMullen	27%	68%	17%	14%	1%
Maverick	92%	49%	23%	14%	14%
Medina	37%	68%	22%	8%	3%
Nueces	43%	68%	20%	9%	3%
Pecos	56%	62%	22%	12%	5%
Presidio	84%	46%	20%	13%	21%
Real	20%	70%	17%	9%	4%
Reeves	68%	56%	23%	12%	8%
San Patricio	39%	67%	20%	10%	3%
Starr	91%	43%	27%	13%	17%
Sutton	48%	62%	21%	9%	9%
Terrell	53%	69%	15%	13%	3%
Uvalde	60%	60%	22%	11%	6%
Val Verde	70%	57%	21%	13%	9%
Webb	92%	52%	24%	14%	11%
Willacy	78%	59%	24%	11%	6%
Zapata	79%	54%	24%	10%	12%
Zavala	85%	51%	30%	12%	7%
TEXAS	**31%**	**54%**	**20%**	**16%**	**10%**

Source: U.S. Bureau, Census 2000 Summary File 3

Despite the need, there are few standards for the development of an effective adult English as a Second Language (ESL) or bilingual curricula. Research has shown that displaced workers should be able to find employment after a three-month intensive bilingual training program, provided that the course includes both a language acquisition component as well as job training that is specific to the skills needed by area employers. In El Paso's case, the manufacturing jobs require specialization in the assembly of complex automotive and electronic products. Despite this fact, Border workers typically spend up to 18 months in English classes that do not teach the skills needed to succeed in the area workforce. This approach depletes scarce workforce training resources and impedes the acquisition of skills necessary for success. Programs must teach career-specific English as a second language. Further, the outcomes and measures for success of these programs must be whether or not the trainee gains employment, not whether or not he or she learned English.

Limited Access to Childcare

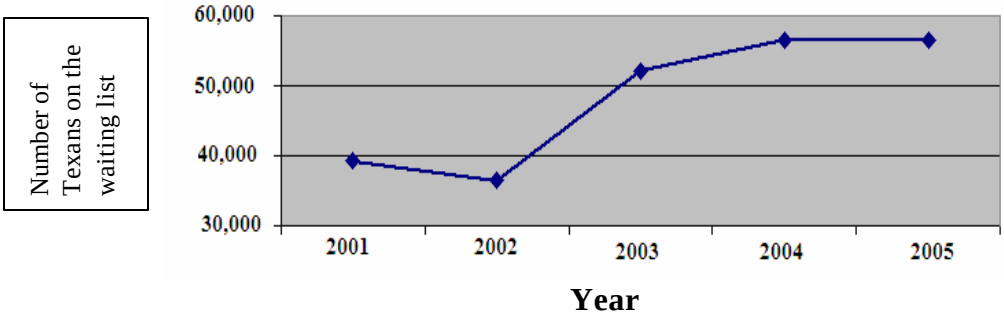
Along the Border, where an average of nearly 23 percent of school-aged children are living in poverty, the issue of childcare is particularly pressing. Since childcare costs take up a large portion of a low-income family's resources, parents are often forced to utilize unlicensed care or substandard care for their children. Moreover, many low-wage employees work odd

hours or have rotating shifts, exacerbating their childcare dilemma. Families along the Border with low incomes often face these challenges on a daily basis.

States operate childcare programs that are funded through the federal Child Care and Development Fund (CCDF), the Child Care and Development Block Grant (CCDBG) and the Temporary Assistance for Needy Families (TANF) block grant. The states set the guidelines and thus, subsidized childcare varies among the states. In 2000, 2.3 million children received subsidized childcare, a mere 14 percent of the estimated 15.7 million eligible.[ii]

While there is theoretically government aid for families in need of childcare, accessing that aid is difficult. Texas, with federal funding support, subsidizes or fully finances childcare for a mere 107,000 children. In 2001, about 40,000 children were on wait lists for childcare subsidies, and that number is expected to grow to over 56,000 by next year. The chart *Texas Childcare Waiting List Grows* illustrates this point.

Texas Child Care Waiting List Grows



Source: Texas Workforce Commission Legislative Appropriations Request, submitted August 30, 2002

Across the country, the high cost of childcare and the lack of affordable childcare are forcing many families to find alternative means for caring for children. According to a 2002 United States Census Bureau report, among the nation's 19.6 million preschoolers in 1997:

- grandparents took care of 21 percent;
- 17 percent were cared for by their father (while their mother was employed or in school);
- 12 percent were in day-care centers;
- Nine percent were cared for by other relatives;
- Seven percent were cared for by a family day-care provider in their home;
- Six percent received care in nursery schools or preschools; and
- More than one-third of preschoolers (7.2 million) had no regular child-care arrangement and presumably were under maternal care.[iii]

In the context of creating a stronger workforce, the limited access to childcare makes maintaining a steady career difficult. According to the Texas Early Childhood Education Coalition, employers pay up to $3 billion each year due to parent absenteeism directly related to childcare. When a child is sick, the parent often cannot attend work and can risk losing a job;

further, the employer suffers a loss as well. Some parents miss work because they simply do not have a facility where they can take their child.

The State must act to provide better and more affordable childcare services for our working families, as the current level of funding is leaving many families without employment or childcare. During the 78th Regular Legislative Session, major cuts were made in the funding available to Texas families. For example, Temporary Assistance to Needy Families (TANF) was cut by $52 million; the budget for childcare licensing was cut by almost $10 million; and Prevention and Early Intervention (PEI) Programs were cut by $29.4 million.[iv] Moreover, the Legislature cut all funding for the Texas Rising Star Program, the Statewide Child Care Resource and Referral Network and Employer Dependent-Care Collaborative grants. These programs were once used to provide training to child care providers and offered parents assistance when choosing quality childcare for their children.

Perhaps most troubling is the role that TANF funding has, and has not, played in the child care picture in Texas. With caseloads declining precipitously between 1995 and 2001, Texas found itself with large surpluses in TANF funds—$400 million in 1997 and $600 million in 1999. Unfortunately, only a fraction of these funds were transferred to CCDF to expand child care assistance. By 2001 Texas was transferring about $33.5 million in TANF to CCDF. But with the Appropriations Act for 2002 and 2003, all TANF-to-CCDF transfers were eliminated and offset by increases in federal CCDF funds. This shortsighted budget decision marks a lost opportunity to expand child care assistance in a time of accelerating demand.[v]

While only children and families in poverty can qualify for state childcare funds, about $227 million is allocated based on the total number of children living in an area, regardless of poverty. The chart *Texas Workforce Commission's (TWC) Childcare Funding Formula* provides a description of how child care funding works in Texas.

The Texas Workforce Commission's (TWC) Child Care Funding Formula

- **Matching funds**: **None of this funding is tied to poverty.** One hundred percent of these funds are allocated based on the number of children under the age of 13 living within the workforce area, in relative proportion to the total number of children under the age of 13 years old in the state. ($152.7 million in Fiscal Year 2001)

- **Mandatory funds: Half of the funds are not tied to poverty**. Fifty percent of these funds ($62.8 million) are allocated based on the number of children under the age of five living in the workforce area, in relative proportion to the number of such children statewide. The remaining 50 percent is allocated based on the number of people living in the workforce area whose income does not exceed 100 percent of the poverty level, in relative proportion to the number of such people statewide. ($125.6 million in Fiscal Year 2001)

- **Discretionary funds**: **All of this funding is tied to poverty.** One hundred percent of these funds are allocated based on the relative proportion of the total number of children under the age of 13 years old in families whose income does not exceed 150 percent of the poverty level. ($115.3 million in Fiscal Year 2001)

The funding formula should be need-based, not population-based. Since TWC was created, the Texas child care system has been decentralized, leaving local workforce development boards facing many challenges. In addition to their administrative responsibilities, these boards are responsible for finding local money to draw down available federal funds. This shifts the responsibility of drawing down funds from the state and directs it to local communities. Rural and Border areas have limited ability to generate the maximum funds, and benefit less from increased child care allocations. Basing the formula on the need of the area will ensure that families living along the Border will have access to affordable child care.

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[i] Ibid.

[ii] Midwest Partners. *Work Supports = Work, Low Wages Can Make it Hard to Work*. http://www.midwestpartners.org/worksupports.htm Accessed: April 21, 2004

[iii] United States Census Bureau. Who's *Minding the Kids? Childcare Arrangements in Spring 1997*, http://www.census.gov/prod/2002pubs/p70-86.pdf Accessed: August 1, 2002.

[iv] www.texanscareforchildren.org

[v] Center for Public Policy Priorities, *The Texas Child Care Experience Since 1996: Implications for Federal and State Policy*. (February 2002). http://www.cppp.org/policy/childcare/texasfinal.pdf Accessed: April 27, 2004.