

Chairman LaRose, Vice Chairman Kunze, Ranking Minority Member Tavaras, and members of the Senate Transportation, Commerce, and Workforce Committee, on behalf of Easterseals Ohio, thank you for allowing us to submit written proponent testimony in support of Senate Bill 3 -which looks to revise Ohio's workforce development laws. Easterseals, founded in Ohio almost 100 years ago, operates workforce programs throughout the state for at-risk youth, school aged youth, court involved youth, youth with disabilities through mentoring programs, apprenticeship programs, workforce development programs, and workforce-based summer youth programs.

As we look at the importance of this reform within SB3, we need to ask ourselves *What is the problem we are trying to solve?* To appropriately address this question we must first look at Ohio's landscape, understanding the changes that lurk over the horizon. In 2020, Ohio's baby boomers will begin leaving the workforce and Ohio will see its labor force begin to experience a downturn in numbers.<sup>1</sup> By 2035, Ohio may be facing a possible crisis as her workforce continues to age, as more baby boomers enter retirement and the number of persons in the workforce declines. According to AARP-Ohio, it is estimated that by 2035 Ohio's older population will exceed 24%, with only 50% of the population sustaining Ohio's workforce. We need to begin to set goals in order to be prepared for 21<sup>st</sup> Century careers.

The children currently in school are our next workforce generation and so investing in them now will reap the dividends necessary to sustain and secure Ohio's economic future and well-being. Investing does not always mean dollars, it also means putting forth the right policies and legislation to achieve the goals. It is imperative we cultivate their educational and future employment opportunities by approaching workforce from a fundamentally common sense approach. SB3 does exactly that. The Millennials and the Generation X'ers will expect the formation of relationships to happen in "an on demand" platform. They will be needed in the job market-65% of them will work in jobs that don't exist today; they will be less youth-oriented and more adult-focused; and they will be saddled with economic responsibility for a huge aging population.<sup>2</sup> SB3 is one tool we can provide educators, employers, communities, providers, families and most of all, Ohio's youth with the tools to increase their likelihood to succeed in their education, their careers, and within their communities.

Research has clearly demonstrated those students failing to acquire even a high school diploma, have a bleak outlook including low income earning potential and a higher rate of unemployment. The US Census Bureau states the average income a school dropout can expect to earn is \$20,241 which is \$10,386 less than someone who completed high school.<sup>3</sup> According to the Department of Education, persons ages 18-24 without a high school diploma experience a poverty rate of 30.8% compared to their peers with a diploma with a much lower poverty rate of 13.5%.<sup>4</sup> Northeastern University conducted a study, stating individuals without a diploma are 63 times more likely to become incarcerated.<sup>5</sup> SB3 opens the educational director workforce

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<sup>1</sup> AARP Workforce Profiles-Selected Characteristics of US Workers and Non-Workers Age 40+-Ohio

<sup>2</sup> Raines, Claire. "10 Predictions for Generation Z." AMACOM Books. March 14th, 2013

<sup>3</sup> United States Census Bureau

<sup>4</sup> "By the Numbers: Dropping Out of High School." Frontline. 2012.

<sup>5</sup> "By the Numbers: Dropping Out of High School." Frontline. 2012.

discussion by putting common sense solutions on the table, by allowing students to receive credit who demonstrate subject area competency through work-based learning experiences, internships or cooperative education. This approach is a win-win for everyone, allowing non-traditional and non-college bound students the opportunity to create a career pathway for sustainable employment while decreasing their need on assistance. College is not for everyone, but that does not mean a person's career opportunities should be hampered. Ohio must focus on all areas of her workforce, not just ones that require post-secondary degrees. According to the JobsOhio Talent Acquisition Strategy issued August 2016, Ohio like many states is starting to see a decline in the talent pool across industry sectors and occupations. A few of those factors are: declining birthrates, increasing lack of work experience among high school and post-secondary graduates, and a young generation of internationally mobile people entering the workforce who are more fleeting in their longevity with any one organization. It further stated that, "93% of CEO's see serious talent challenges ahead and acknowledge that they need to change their strategic approach to talent"<sup>6</sup> SB 3 is a start in the right direction in changing how we look at our workforce and educational approach to achieving diplomas, while encouraging young people to participate in work-like activities that they enjoy and have the talent.

For example, Easterseals Serving Greater Cincinnati (ESGC), whose primary mission is to assist those individuals with disabilities and disadvantages (court-involved, academic barriers, at-risk) to obtain workforce certifications, educational credits, and high school diplomas. One such example is ESGC's YouthBuild (YB) program. This Department of Labor program provides low-income youth a pathway towards completing their primary/secondary education while gaining certifications in a number of employment fields. In ESGC's YB program students spend half their time in a supportive classroom and the other half learning construction skills on a path to earn various certifications. The program does not operate in a vacuum; it has many community partners such as Messer Construction who chairs a construction consortium within the region, Cincinnati Port Authority, City of Cincinnati, and Lighthouse. SB3 will help programs such as this expand to other populations that we are unable to serve because of federal restrictions (age, educational level, location). In an article issued by The Associated General Contractors of America in September 2016, it was stated, "Workforce shortages run the risk of undermining the industry's continued recovery and stall broader economic growth. Workforce shortages could force companies to reconsider bidding on projects; they urge officials to act on workforce development plans to boost recruitment and training opportunities"<sup>7</sup> The vast majority of students that complete this program are ready for college, other post-secondary education, or jobs.<sup>8</sup>

Another program, Building Value, much like YouthBuild, provides skilled training, vocational training and work readiness, would benefit with the changes contained within SB3. Better yet, this program recently had a study completed in September 2016 by ICF International and Corporation for National and Community Service that highlighted the Return on Investment (ROI) when students are allowed to engage in workforce type programs. The study concluded

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<sup>6</sup> JobsOhio Talent Acquisition Study. August 2016. (PowerPoint presentation).

<sup>7</sup> The Associated General Contractors of America. "Construction Employment Declines." AGC News. Sept. 2<sup>nd</sup>, 2016.

<sup>8</sup> Life After Lockup: A YouthBuild USA Special Report. 2016

for individuals participating at program entry saw an increase in potential earnings of \$13,235. And for every public/private dollar invested in the program, saw a return of a \$5.14 and less reliance on public assistance.

A recent study by University of Chicago Nobel economist James Heckman emphasized the need to sustain early investment in children. He reported that with “skill building” strategies such as meaningful sustainable opportunities he found that the investments “were sustained into the teenage years,” 90% of youth finished high school and 40% went on to attend college.<sup>9</sup> As Ohioans if we connect or reconnect to youth with an opportunity to further or complete their education, we create a self-reliant citizen, we also avoid a direct taxpayer burden estimated to be \$225,680 and a full social burden of \$704,020 over the youth’s lifetime.<sup>10</sup>

Building successful and resilient children is not only important to their futures and their families but also to the well-being and quality of life in neighborhoods throughout Ohio and to its economic growth. The development of career pathways is now being addressed from within a fundamentally different framework or paradigm; one that recognizes educational systems alone are not sufficient to guide behavior and build resiliency in students and that continuing to rely on this system to do so promises to repeat the failures of the past. WE need to work together to address the issues facing our state’s children. One of the most important findings of education psychology of the past 30 years is “the positive relationship between the amount and quality of the time engaged in academic learning and student achievement.”<sup>11</sup> Addressing and revising Ohio’s workforce development laws not only opens the doors to potential lifelong employment prospects but “bolsters the outlook for youth to achieve economic resilience as adults and a fulfilling social and civic life”<sup>12</sup> while potentially increasing savings to school districts, state and local governments, local communities and decreasing the dependence on state assistance. On behalf of Easter Seals Ohio, thank you for the opportunity to provide proponent testimony on SB3.

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<sup>9</sup> James Heckman & Flavio Cunha. “Investing in Our Young People.” 2007.

<sup>10</sup> Belfield, Levin, & Rosen. “The Economic Value of Opportunity Youth” 2012.

<sup>11</sup> Skiba, R.J. & Rausch, M.K. 2006

<sup>12</sup> Covey, Stephen. Building a Culture of Leadership. The Leader in Me Vision Training Participant Guide