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Number of immigrants in New York State, 2005 **3.9 million**

Number of adults who speak English less than very well **1.6 million**

Enrollment in state-administered adult ESOL programs **86,433**

Funding for state-administered adult ESOL programs **\$73.9 million**

The problem of inadequate resources for English-language instruction is not a new one, but its visibility and seriousness has grown in recent years as hundreds of thousands of new arrivals, from Vietnamese in Syracuse to Mexicans in Yonkers, have settled in the Empire State. More than one in four adult New Yorkers are now foreign-born.

# LOST IN TRANSLATION

Cities In Nearly Every Corner of New York State Have Been Experiencing a Sharp Rise in Immigrants, But State-run ESOL Programs Aren't Keeping Pace With the Growing Demand

## **DURING THE 19TH AND 20TH CENTURIES, MILLIONS OF PEOPLE FROM**

every corner of the world shared one dream: to come to America and enjoy a better life for themselves and their children. Not only did they fulfill this dream, they made America—and New York in particular—an immeasurably better place in doing so.

That dream remains, powerful as ever, and immigrants still come to New York with their hopes, their dreams and their willingness to work hard to make them come true. But in the knowledge economy of the 21st century, that's not enough: English language skills are much more important for this generation of immigrants than was the case for their predecessors. Without the ability to communicate with employers, co-workers and customers, newcomers "hit the wall" of upward advancement far more often and much more quickly than was true 100 or even 50 years ago.

Unfortunately, while new immigrants have been fueling the population growth of communities in nearly every corner of the state, from Suffolk County to Syracuse, the state-run English for Speakers of Other Languages (ESOL) program has not come close to keeping pace with the demand. State officials have failed even to acknowledge, much less effectively address, the fact that even though the state's foreign-born population has grown by nearly 1.3 million since 1990, adult ESOL programs administered through the New York State Department of Education added only 15,000 new seats<sup>1</sup> over the same period.

The gap between rising demand and stagnant supply grows ever wider. In 2005, the state ESOL system enrolled a mere 86,433 residents.<sup>2</sup> Since 2000 alone, the state has gained 270,000 new immigrants, bringing the total number of foreign-born New Yorkers to 3.9 million.<sup>3</sup> Many of these newcomers have limited English skills—79 percent of non-native English speakers in the state have only basic or below basic prose literacy, a rate worse than the national average.<sup>4</sup>

In community after community, providers have found the demand for ESOL so overwhelming that they no longer maintain waiting lists. “The capacity of the system is woefully inadequate and the supply of service is woefully inadequate,” says Kevin Smith, executive director of Literacy New York, a Buffalo-based network of volunteer literacy providers. Smith and other critics point to a poorly coordinated hodgepodge of funding sources, administered by a plethora of agencies at the local and state level that typically fail to coordinate with each other: officials interviewed for this report could not even answer

arrivals, language limitations constrain their chances to advance. “The only jobs that are available are high-skill jobs that require some post-high-school education or the lowest-skilled fast food jobs, cleaning services and gardening services,” says Pearl Kamer, chief economist at the Long Island Association, Long Island’s largest business and civic organization. “There’s nothing in the middle. There is a career ladder if you have English proficiency, but without English proficiency, there isn’t even that. Looking long term, [people not having English proficiency] limits their economic progress. It’s a constraint on the economy. If you don’t have the labor force you need, you can’t grow the jobs.”

In other words, an investment in ESOL instruction is an investment in workforce development: improving the English language skills of new labor market entrants strengthens not just their own earning power, but the local economy as a whole. One recent study, the National Assessment of Adult Literacy, found that median weekly earnings of proficient English speakers were 225 percent

**With a new set of political leaders about to take office in Albany, the time is now for New York to take bold action in addressing the problem of insufficient and under-performing English-language instruction in the state. The benefits will accrue not just to immigrants themselves, but to the businesses that employ them and the communities in which they have chosen to make their lives.**

the question of just how much money is spent on English language instruction in New York State. Just as bad, connections between the ESOL system and local and state workforce development programs are virtually non-existent. There is little prospect for addressing the problem outside the realm of publicly supported programs: although some innovative local projects are independently funded and dozens of private companies<sup>5</sup> offer English instruction for pay, the programs administered by the state’s education department represent the lion’s share of all ESOL seats statewide.

Increasingly, state and local economies as well as immigrants themselves are bearing the consequences of New York’s lack of capacity to help immigrant workers acquire needed language skills. Long Island presents one striking example, adding 123,000 foreign-born residents between 1990 and 2000 and another 53,000 by 2005. Today, one in four Nassau County adults hails from outside the United States; since 2000, Suffolk’s immigrant population increased by 34 percent.<sup>6</sup> But for many of these new

higher than those at a below basic level (\$975 vs. \$432).<sup>7</sup> Another 1999 report makes an even more dramatic argument for increased spending on ESOL, finding a remarkable 11-to-1 return on investment for English instruction.<sup>8</sup>

Unfortunately, neither government nor the business community has yet come forward with significant resources to make the case for ESOL.

With a new set of political leaders about to take office in Albany, the time is now for New York to take bold action in addressing the problem of insufficient and under-performing English-language instruction in the state. The benefits will accrue not just to immigrants themselves, but to the businesses that employ them and the communities in which they have chosen to make their lives. This report, six months in the making and informed by more than 50 interviews with local and state officials, employers, service providers and other stakeholders, sets out the problems and offers recommendations for how to scale the language barrier and strengthen our state.

### STILL COMING TO AMERICA

The problem of inadequate resources for English-language instruction in New York is not a new one, but its visibility and seriousness has grown in recent years as hundreds of thousands of new arrivals, from Vietnamese in Syracuse to Mexicans in Yonkers, have settled in the Empire State. More than one in four adult New Yorkers (27 percent) are foreign-born, and the percentage is rising much faster than overall population growth: New York's immigrant population swelled by 7.3 percent from 2000 to 2005, while the number of native-born residents actually declined.<sup>9</sup> Demographers project that this trend will continue: with New York's native-born birth rate essentially stagnant, new immigrants are likely to fuel the state's future population growth.

Of the state's 3.9 million foreign-born residents, New York City is still home to the vast majority—2.9 million—but another 1 million foreign-born residents are spread throughout New York State, many in areas otherwise suffering the out-migration of young people at record speed. According to the 2005 American Community Survey, eight of the ten largest counties outside of New York City

have seen spikes in new immigration since 2000. Albany County's immigrant population grew by 16 percent and Orange County saw a remarkable 50 percent increase. And foreign-born residents now represent a third of Westchester's adult population.<sup>10</sup>

Of course, New York City is still a haven for immigrants—there are nearly three million foreign-born residents in the Big Apple, and the numbers continue to climb. Thriving immigrant communities have helped revitalize dozens of neighborhoods around the five boroughs, from Jackson Heights to Bensonhurst. Already the most diverse county in the nation, Queens added 66,000 foreign-born residents from 2000 to 2005, while its native-born population declined by 53,000. In 2005, 850,673 Queens adults—just under 60 percent of the borough's adult population—were born outside of the U.S. Another 728,000 called Brooklyn home. But it's Staten Island that has seen the largest percentage change in foreign-born residents. Long the least diverse of the five boroughs, Staten Island has gained nearly 20,000 immigrants since 2000—a 25 percent increase that was accompanied by a mere 0.4 percent increase among native-born residents.<sup>11</sup>

**TABLE 1: IMMIGRANT POPULATION GROWTH IN NEW YORK'S 15 LARGEST COUNTIES, 1990-2000**

County	Net Population Change 90-00	Percent Population Change 90-00	Foreign-Born Population Change 90-00	Percent Foreign-Born Population Change 90-00
Albany	1,971	0.7	3,101	19.2
Bronx	128,861	10.7	111,034	40.4
Dutchess	20,688	8.0	5,581	31.0
Erie	-18,267	-1.9	-64	-0.1
Kings (Brooklyn)	164,662	7.2	259,200	38.5
Monroe	21,375	3.0	8,170	17.9
Nassau	47,196	3.7	69,103	40.8
New York (Manhattan)	49,659	3.3	68,574	17.9
Onondaga	-10,637	-2.3	4,332	20.1
Orange	33,720	11.0	6,637	30.1
Queens	277,781	14.2	321,186	45.4
Richmond (Staten Island)	64,751	17.1	28,107	63.1
Rockland	21,278	8.0	15,968	41.2
Suffolk	97,505	7.4	54,314	52.1
Westchester	48,593	5.6	46,832	29.5
New York State	986,002	5.5	1,016,272	35.6

Sources: 1990 and 2000 U.S. Census

## NEW YORK STATE'S LANGUAGE GAP

The traditional immigrant success story typically begins with an arrival, often penniless and unable to speak English, in the promised land of America, rapidly followed by the landing of a job and subsequent advance up the economic ladder. The story still begins the same way, but changes in the economy have meant that limited English skills are more of a barrier to advancement for today's new arrivals than for past generations of immigrants.

In 2005, more than 1.6 million adult New Yorkers—representing 13.8 percent of all 18-to-64 year olds—spoke English “less than very well,” a 6.4 percent increase from five years earlier. Of that 1.6 million, more than a third (640,000) spoke English “not well” and another 210,000 didn't speak the language at all. Foreign-born residents comprise the lion's share—80 percent—of New Yorkers with limited English skills.<sup>12</sup>

Twenty-eight percent of New Yorkers speak a language other than English at home, and 563,660 households in the state are linguistically isolated.<sup>13</sup> The 2003 State Assessment of Adult Literacy found that 79 percent of New York adults who spoke another language before starting school have “basic or below basic” prose literacy skills. Among English speakers, the rate of basic or below basic literacy is considerably lower (41 percent). New York is below the national average on both measures.<sup>14</sup>

These deficiencies persist throughout the state. Since

2000, Suffolk County has seen an astonishing 110 percent growth in adults with limited English skills. In Dutchess County, the number jumped by 68 percent. A quarter of all adults in New York City—1.23 million—have inadequate English skills, while Westchester, Nassau and Suffolk each have roughly 80,000 adults with limited English proficiency.<sup>15</sup>

The economic health of New York's immigrant population is considerably weaker than that of the state as a whole. In 13 of New York's 15 largest counties, the median income of foreign-born residents is lower than the county average. This is the case statewide as well: the median for all foreign-born New Yorkers was \$23,017 last year, compared to the state's overall mark of \$26,504.<sup>16</sup>

Immigrant New Yorkers are more likely to be in or near poverty. Over one million immigrants were at or below 150 percent of the poverty line last year. Statewide, more than one in every four (26.7 percent) foreign-born residents fell into that category, including 866,000 immigrants in New York City.<sup>17</sup> Mayor Bloomberg's Commission for Economic Opportunity reports that in 2000, nearly 35 percent of the city's foreign-born workers earned an average hourly wage of under \$10.<sup>18</sup> While relatively greater economic hardships might be expected of those who left their native countries for a chance at something better, immigrants' limited English skills block their access to some of the most reliable routes out of poverty.

**TABLE 2: IMMIGRANT POPULATION GROWTH IN NEW YORK'S 15 LARGEST COUNTIES, 2000-2005**

County	Net Population Change 00-05	Percent Population Change 00-05	Foreign-Born Population Change 00-05	Percent Foreign-Born Population Change 00-05
Albany	1,562	0.6	2,552	15.8
Bronx	24,225	1.9	51,829	14.1
Dutchess	14,902	5.7	-345	-1.3
Erie	-20,493	-2.2	-3,782	-7.6
Kings (Brooklyn)	19,989	0.8	27,776	3.1
Monroe	-3,841	-0.5	4,278	8.8
Nassau	-2,810	-0.2	7,233	2.8
New York (Manhattan)	52,416	3.5	3,920	0.9
Onondaga	-502	-0.1	297	1.2
Orange	31,414	9.6	12,254	49.8
Queens	12,833	0.6	66,018	6.7
Richmond (Staten Island)	20,802	4.8	19,404	25.0
Rockland	5,984	2.1	7,427	14.7
Suffolk	53,851	3.9	46,029	33.5
Westchester	16,110	1.8	17,610	8.3
New York State	259,279	1.4	271,115	7.3

Sources: 2000 American Community Survey Supplementary Survey and 2005 American Community Survey

**DEMAND FOR ESOL VASTLY OUTPACES SUPPLY**

For millions of immigrants, mastery of English language is a ticket to full participation in both the economy and the life of the community in which they live. Unfortunately, it might be easier to get courtside seats at Madison Square Garden than to find space in a classroom where ESOL is taught.

Despite huge spikes in immigration throughout the state, ESOL programs funded through the State Education Department serve just a tiny fraction of the need. New York State is home to approximately 1.6 million adult New Yorkers with limited English skills, yet only 86,433 residents—5.3 percent of the estimated need—were enrolled in state-funded ESOL last year. The stark disconnect between supply and demand has received some attention in New York City, where officials have secured additional funding for ESOL, but enrollment statewide remains astonishingly low.

“Typically, in the New York City metro area, the demands for ESOL services far, far outstrip the supply, and there’s a palpable recognition of that,” says Kevin Smith, executive director of Literacy New York. “In the upstate communities, it’s less palpable, less apparent, less dramatic than that, but the demand is still there.”

Albany County, for instance, is now home to 4,600 adults with limited English skills, after seeing a 16 percent rise in foreign-born residents between 2000 and 2005. Yet, just 103 residents were enrolled in state-funded ESOL in 2005. Dutchess County experienced a 68 percent

increase in non-English speakers during the same period, yet there were only enough spots to serve 3.1 percent of those who needed ESOL.<sup>19</sup>

In Orange County, the percentage served was 7.9 percent; in New York City, just 3.4 percent—meaning that for every seat available, there were 33 potential bodies to fill it. Last year, eleven counties across the state had fewer than ten residents enrolled in ESOL, with four counties reporting no enrollment at all. Even the “better” areas such as Onondaga County, which was able to enroll 13.9 percent of those who could benefit from ESOL, or Suffolk County (14 percent), hardly offer cause for celebration.

Limited by flat or declining funding (see p. 8), provider programs can’t keep up with the mounting need. “There’s a significant increase in non-English speaking people coming into Orange and Ulster County,” says June Franzel, director of adult educational services at the Orange-Ulster Board of Cooperative Educational Services (BOCES). “We have increased our ESOL classes quite a bit. We’re bursting at the seams.” In communities across New York, waiting lists for ESOL have gotten so large that many agencies have given up on maintaining them, opting instead for lottery systems that result in lines stretching around the block and scores turned away.

Right now, New York State’s Department of Education spends 55 percent of its adult education budget on ESOL, but growing demand means that “the entire adult education system would be overwhelmed by ESOL very, very quickly if it allowed itself to be,” says Smith.

**TABLE 3: ESOL ENROLLMENT AND NEED FOR ESOL SERVICES IN NEW YORK’S LARGEST COUNTIES**

County	Enrollment in state-funded adult ESOL*, 2005	Speak English “less than very well,” ages 18-64, 2005**	Percent served
Albany	103	4,606	2.2
Dutchess	321	10,210	3.1
Erie	1,877	15,917	11.8
Monroe	2,062	18,239	11.3
Nassau	9,539	82,156	11.6
New York City	41,585	1,230,866	3.4
Onondaga	1,208	8,678	13.9
Orange	1,773	22,510	7.9
Rockland	2,667	26,255	10.2
Suffolk	11,246	80,246	14.0
Westchester	7,218	79,988	9.0
New York State	86,433	1,627,767	5.3

\*These numbers are based on the location of the agency offering services, not the participant’s county of residence. Enrollment in programs administered by NYS Dept of Education: WIA Title II, EPE, WEP and ALE. Source: New York State Department of Education and Adult Literacy Information and Evaluation System (ALIES) data generated by the Literacy Assistance Center.

\*\*Source: 2005 American Community Survey

## IMPROVED ENGLISH SKILLS BOOST WORKERS' JOB PROSPECTS AND EARNING POWER

Today's economy offers few opportunities for advancement without English proficiency. Adults who participate in ESOL programs often report major wage gains and improved job prospects. "For foreign-born individuals, it's clear that there are large payoffs to English language acquisition," says Richard Fry, senior research associate at the Pew Hispanic Center, a national research center funded by the Pew Charitable Trusts. "We're not talking small differences. They get paid a lot more, and that's across a variety of industries. You simply cannot get out of low-wage, dead-end jobs without at least a decent knowledge of English speaking abilities."

Cold numbers show just how much inadequate English skills constrain earnings for millions of New Yorkers. Among New York's 1.7 million adults with earnings below the poverty line in 2005, 43.3 percent—roughly 735,000 adults—spoke a language other than English at home.<sup>20</sup> The National Assessment of Adult Literacy reveals that superior English skills translate into higher wages: median weekly earnings of proficient English speakers were 225 percent higher than those at a below basic level (\$975 vs. \$432).<sup>21</sup> That finding echoes what labor economists Barry Chiswick and Paul Miller concluded in a 1999 study: "Acquisition of English language skills clearly pays in the

eign-born residents ages 25 and older have a high school diploma or less<sup>24</sup>, many others were highly educated in their home countries. But even a college diploma is no guarantee of success if it's in another language: Upwardly Global, a nonprofit that links immigrant job seekers with employers, estimates that there are 25,000 adults in New York City who obtained at least a bachelor's degree in their native country, but are earning less than \$10 an hour due to their limited English skills.

## IMMIGRANT WORKERS' LIMITED ENGLISH SKILLS HAVE MAJOR ECONOMIC CONSEQUENCES

Limited English skills among the immigrant workforce aren't just a barrier for low-wage employees—they're a constraint on New York's economic competitiveness. New York has long relied on immigrants to fill entry-level jobs. As highly-educated workers leave the state in droves, foreign-born residents comprise a growing percentage of the state's workforce. Businesses in a variety of sectors are hiring immigrants in record numbers, mostly for those entry-level jobs, but those who hope to move up are finding few opportunities for advancement without English proficiency. As immigrants come to comprise a growing share of the state's workforce, New York's competitive position will increasingly depend upon getting them the skills that employers need; if not, businesses looking to

For Karp Associates, a 50-year-old company in Maspeth, Queens that manufactures access doors, workers' limited English proficiency is the largest problem the company faces today. "Right now our company is handicapped. Our growth is limited by the language and labor skills that we need," says Gerry Gorman, Karp's president and CEO.

U.S. labor market. There would appear to be few other investments that an immigrant could undertake that would yield such a healthy monetary return."<sup>22</sup>

One could say the same thing about public investments in ESOL. In 1999, a national study found that for every dollar invested in adult education (which includes ESOL), there was an \$11 return on investment (ROI).<sup>23</sup> But even if the ratio is five-to-one or three-to-one, ESOL offers a rate of return that most Wall Street traders could hardly dream of. "We have to debunk the myth that you're just doing a good thing [by investing in ESOL]. The reality is that ESOL makes economic sense," says Martin Murphy, director of the Long Island Regional Adult Education Network.

The other side of the equation is that lack of language skills hampers immigrants at every level of educational attainment. While 53 percent of the state's for-

relocate or expand in the Empire State may very well go elsewhere.

The changing mix of jobs in New York has dramatically raised the stakes around this question. For much of American history, jobs with low barriers to entry helped millions of immigrants eventually join the middle class. But industries such as manufacturing, in which a worker could move up the career ladder despite limited language skills, have shed positions for years now and continue to decline across the state. Sectors that have seen growth, from construction to home health care, often require workers to communicate with customers in English—and growing numbers of them are not up to the task.

Given these changes, the issue of ESOL has taken on growing importance for local and state economic development. Boosting a worker's English skills improves productivity, reduces turnover and helps businesses grow

their jobs; failure to do so, as many businesses are finding, makes it difficult to promote low-level workers into positions of greater responsibility.

For example, the Brooklyn Chamber of Commerce is working with a large manufacturer in East New York that has been grappling with high turnover because they are unable to promote production and line managers due to limited English skills. The high costs of finding and training replacements has left the company's management incredibly frustrated, according to Jeanette Nigro, vice president of workforce development and training services at the Chamber.

Central New York has seen a huge influx of immigrants and refugees, and they have been an energizing force for the region. But English skills still remain the prerequisite for career advancement. "[The immigrants and refugees] have all demonstrated a terrific work ethic, so they've been valuable employees for many of the larger companies in the area," says Daniel Young, director of workforce development at the Metropolitan Development Association of Syracuse and Central New York. "But if they want to move up from an entry level position to the next level, whether it's Syracuse China, Stickley Furniture or United Radio, they need these core [English] skills to move up the ladder, to be able to retain information, to digest it and then to apply what they've read to whatever task or job it is they're doing."

For Karp Associates, a 50-year-old company in Maspeth, Queens that manufactures access doors, workers' limited English proficiency is the largest problem the company faces today. Many of its 100 employees are immigrants who came to America with advanced technical abilities but speak little English. "They're machinists, they're tool makers, they're die makers, they have fantastic skills. The problem is the communication," says Gerry Gorman, Karp's president and CEO. "Right now our company is handicapped. Our growth is limited by the language and labor skills that we need. It's absolutely the biggest issue we're dealing with."

Gorman says his company would readily fund English instruction for their employees, ideally in tandem with government support, but he's unaware of any programs with this structure. His reasoning is simple: "We would share whatever that expense would be because it would be in our best interest. Our future is dependent on this. It's not a cost, it's an investment."

In Massachusetts, business leaders and policymakers alike seem to have reached the same conclusion. The Bay State's Extended Care Career Ladder Initiative (EC-

CLI), a state-funded program that works with the long-term care industry, has quadrupled its funding from \$5 million in 2000 to \$21 million this year. "The increase is largely due to lobbying efforts by employers who participate in ECCLI," says Eleni Papadakis, vice president for planning and advancement at the Commonwealth Corporation, which administers the program.

Closer to home and on a smaller scale, a few models are emerging to show how government and business can partner to raise the language skills of employees. A new federal program run through the Borough of Manhattan Community College (BMCC) is providing ESOL instruction and customer service training for 'swing managers'—the first supervisory rung on the ladder—drawn from McDonald's restaurants around the five boroughs. The chain experiences turnover of nearly 100 percent among its low-level workforce; all of the program's participants have been promoted from entry-level positions, but inadequate English skills restrict them from moving up any further. After completing the intensive four-month program, the vast majority of them will be eligible for promotions and higher wages.

Perhaps even more significant, some employers have begun to recognize the importance of ESOL and are investing their own funds in training their workers. Conmed, a medical supplies company in Utica, has added almost 1,000 immigrants and refugees to their workforce over recent years. Most start on the assembly line and are unable to advance due to limited English skills, so Conmed has shelled out its own funds to deal with this dilemma. After an employee has been with the company for a year, Conmed funds ninety percent of that employee's ESOL tuition, and employees are virtually guaranteed they will move up within the ranks if they increase their English skills.

Beyond providing direct training, another way for employers to support ESOL is to offer compensated release time, paying workers for the hours they spend in class. McDonald's and BMCC are still finalizing the details of their program, but at press time, the expectation was that participating workers are to be paid their standard hourly wage during the training sessions.

However, the majority of jobs in New York State are in small businesses that don't have the budget of Conmed or corporate support of McDonald's. Allowing small business employees to participate in ESOL courses coordinated by larger businesses is one way to engage those workers without placing a huge burden on employers without those resources.

## FUNDING FOR ESOL IS WOEFULLY INSUFFICIENT

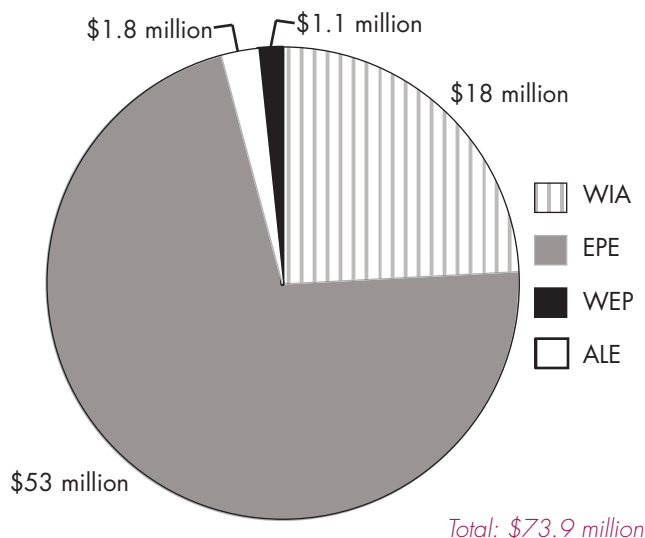
It's true that New York allocates more to fund adult education, including ESOL, than most other states. But the combination of explosive growth in the state's immigrant population and cutbacks at both the state and federal level in support for these programs has meant that capacity to offer services has stayed essentially flat while demand has skyrocketed.

This year, New York State's education department will administer over \$144 million in adult education funds, which covers everything from GED instruction to Adult Basic Education programs. State officials estimate that 55 percent of that total goes toward ESOL programming. This includes approximately \$18 million of the \$33 million in funds from the federal Workforce Investment Act (WIA) Title II, which is administered by the state; \$53 million of the \$96 million in state tax-levied Employment Preparation Education (EPE) aid, discussed in detail on page 9; \$1.1 million from the state's \$2 million Basic Adult Education/Welfare Education Program (WEP) funding stream; and \$1.8 million from the \$3.32<sup>25</sup> million Adult Literacy Education (ALE) program funded by the legislature.

This is not an insignificant commitment, but it does not suffice to meet even a fraction of the demand for services. "While New York does invest more than most states in adult education, classes funded through the State Education Department serve less than five percent of those in need. It's also a state where 50 percent of all adults are at the bottom two levels of prose literacy on the NAAL [the National Assessment of Adult Literacy]," says Ira Yankwitt, director of the New York City Regional Adult Education Network at the Literacy Assistance Center.

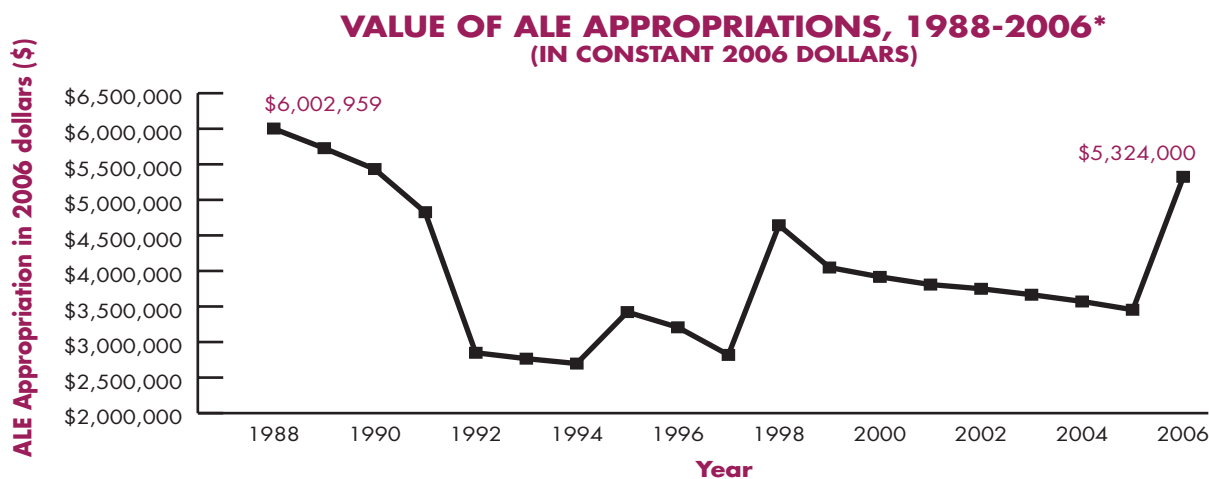
The Adult Literacy Education (ALE) program offers a stark example of just how little attention state policy

## ADULT ESOL FUNDING ADMINISTERED BY NEW YORK STATE DEPARTMENT OF EDUCATION, 2006



makers have paid to the issue. The legislature created ALE in 1988, and allocated \$3.5 million to fund the program. But legislators then whittled away at the ALE budget, even though there was a steady rise in the state's foreign-born population in the years that followed. Funding declined to \$1.97 million in the early 1990s and then held steady at \$3.32 million from 1999 to 2005.<sup>26</sup>

This year, advocates secured an additional \$2 million for ALE, bringing the appropriation to \$5.32 million for 2006-2007. But while the extra funds were welcome, the current appropriation is still less in constant dollars than what the original \$3.5 million allocation would be worth today, adjusted for inflation. Of course, the need for these



Sources: New York State Department of Education, The Coalition for Adult Literacy and Literacy New York. Constant dollars calculated using the Bureau of Labor Statistics Inflation Calculator. \*Represents the fiscal year period, e.g. "2006" represents appropriations for 2006-2007.



services has skyrocketed in the 18 years since the legislature initially enacted ALE, with nearly 1.5 million new immigrants coming to New York in that period. Advocates have urged the legislature to up the allocation to \$10 million per year, thus far to no avail.

The State Education Department is considering a plan to create “literacy zones” in urban areas including Rochester, Syracuse and the Bronx, but the program has not been funded. In each location, the local adult education network would coordinate a range of programs, from health literacy to English language instruction. The project is still in the planning stage, but likely will begin with ten pilots scattered around the state.

Recent federal cuts have made a bad situation considerably worse. In 2005, the Bush administration tried to slash funding for adult and family literacy through WIA Title II, from \$569 million in FY2005 to \$207 million in FY2006. Advocates fought to get the funding restored and were eventually successful, but the attempt to eviscerate adult education funding shows the tenuous state of federal support for literacy programming.

Although possible disaster was averted with the restoration of the administration’s proposed cuts, New York’s WIA Title II funding declined over the past year, from over \$40 million to \$33 million. New York City was hit the hardest, losing about \$4 million due to a change in the funding formula that guides how the money is allocated.

Another funding issue stumps even the most seasoned literacy expert: just how much money is being spent on English language instruction in New York State? The short answer is that no one really knows. Funding is run through so many different agencies that it is virtually impossible to put a price tag on our ESOL or adult education spending. Similarly, it’s tough to pin down firm enrollment numbers because students can be double-counted if a provider receives funding from two or more sources. A final element is that different funding agencies use wildly varying definitions of what constitutes “enrollment” in an ESOL program: a student who received 12 hours of instruction might be counted the same as a student who went through 120 hours of classes.

**EPE-DEMIC: THE LARGEST FUNDING POT FOR ESOL HAS MAJOR STRUCTURAL FLAWS**

The single biggest source of funding for New York State’s ESOL programming comes from state-controlled Employment Preparation Education (EPE) grants, which totaled \$53 million last year. The state legislature established EPE in the early 1980s to provide supplementary aid to school districts for adult education, but as the years have passed, EPE more often has served as the primary source of support rather than a supplement to other funding streams.

This development has left EPE a badly flawed vehicle to support increasingly important programs.

Three major shortcomings have proven particularly damaging. First, EPE determines how much to compensate service providers through an irrational formula that is based on a contact hour ratio, or how much a provider receives for each hour of contact with a student. Local property values determine the ratio: the more real estate costs in a community, the less providers in that community will be paid under the contact hour ratio.

At such a low rate of compensation, given what it costs to hire teachers and pay for space, providers can only meet their costs by jamming as many students into the classroom as possible—a tradeoff that literally sacrifices quality for quantity. “If you’re looking at New York State, the biggest increase in demand for adult ed in recent years has been Long Island [particularly in the area of ESOL],” says Mark Haskins of the New York State Education Department. “Their EPE rate doesn’t scratch the surface. The only way that they can run the programs is to pack the classrooms. There’s no way they can break even. It’s a real problem.”

New York City’s EPE rate will be \$5.99 in 2007, far too low to offset the high costs of running ESOL classes in the five boroughs. The city regularly fails to draw down its full EPE amount, and one education official estimates that the city loses 15 to 20 cents on each EPE dollar it brings in.

**TABLE 4: 2007 EPE RATES IN NEW YORK COMMUNITIES**

EPE Recipient	2007 EPE Rate
Jamestown City School District	\$8.28
Buffalo City School District	\$8.23
Rochester City School District	\$8.22
Syracuse City School District	\$8.11
Binghamton City School District	\$7.70
Albany City School District	\$6.71
Orange-Ulster BOCES*	\$6.32
Dutchess BOCES	\$6.23
New York City Department of Education	\$5.99
Nassau BOCES	\$5.91
Putnam-Northern Westchester BOCES	\$5.21
Yonkers City School District	\$4.73
Southern Westchester BOCES	\$4.67
Rockland BOCES	\$4.16
Port Washington Union Free School District	\$3.70
White Plains City School District	\$3.70

\*Board of Cooperative Educational Services  
Source: New York State Department of Education

Advocates have called for changes to the EPE funding formula, particularly in well-heeled communities with significant pockets of poverty. State Senator Nick Spano of Westchester introduced legislation to set minimum EPE rates at 70 percent of the state ceiling, which would be \$6.48 in 2007, for New York City and Yonkers; other areas, like Long Island, still would have to contend with rates well below a sustainable level. But even this modest measure hasn't moved in Albany since being taken up by the Senate's Education Committee in early 2006.

The second issue is that EPE excludes many of the biggest English language instruction providers—including libraries, community colleges and community-based organizations. Because EPE was created explicitly to supplement education budgets, only Boards of Cooperative Educational Services (BOCES) and school districts can apply for grants. "If we opened up the funding and made it more efficient, easier to apply for and expanded the agencies that could apply for it, I think we would see some better programs," says Tom Orsini, team leader of the New York State Education Department's Adult Education and Workforce Development Team. For several years, State Senator Stephen Saland, who represents Dutchess and Columbia Counties, has introduced bills to allow community-based organizations to receive EPE funds. And for several years, the bills have gone nowhere.

EPE's third flaw is an incongruous one: the fund regularly boasts a surplus. But it's not for lack of demand. Providers who receive EPE grants are reimbursed retroactively, forcing them to cover their own costs up front,

and they can't carry funds from one fiscal year to the next. The result is that they deliberately underestimate their needs to avoid financial liability—and that total applications for EPE grants regularly come in \$6 to \$8 million below the \$96 million ceiling. This means that every year's budget battle is about maintaining EPE at the \$96 million level, rather than expanding it.

### **COMMUNITY LEADERS, CHAMBERS OF COMMERCE & FOUNDATIONS HAVEN'T SEIZED ON THIS ISSUE**

Although non-English speakers represent a growing portion of New York's workforce, private sector employers and statewide business leaders have paid scant attention to the lack of English language instruction around the state. Businesses could invest more—literally and figuratively—in the training of their workers, especially given the higher productivity and reduced turnover that comes with greater language skills. The Ohio Literacy Resource Center has reported that the limited literacy skills of employees cost businesses and taxpayers nationwide \$20 billion each year in lost wages, profits and productivity.<sup>27</sup>

Perhaps a reason business has not been seeking more funding for improving English proficiency is that they don't see any direct impact on their bottom line. The reported 11-to-1 return on investment (ROI) for ESOL is either not a widely known or a trusted number in the business community. "If more concretely defensible information on ROI were available to the business community it would definitely drive further investment. Business behaves in ways that makes sense to their bottom line,"

### **OTHER FUNDING STREAMS FOR ESOL & LITERACY**

The four funding streams that the state's Education Department administers—WIA Title II, EPE, WEP and Adult Literacy Education—support the vast majority of ESOL seats for New York's adult population. But they're not the only game in town.

Since 2001, the New York City Council has supplemented state funds with its Immigrant Opportunities Initiative (IOI). In FY2006, the Council funded IOI at \$9.1 million, \$5.9 million of which was earmarked for ESL/Civics. Unfortunately, the city does not currently track enrollment figures for the IOI program. In October 2006, Mayor Michael Bloomberg created the Mayor's Office of Adult Education, and committed \$5 million from federal Community Development Block Grant money to improve the city's adult education system. None of the experts interviewed for this report knew of any other municipality in New York

State that has allocated funding specifically for ESOL programming.

Other funding sources include the Toyota Family Literacy Program, a national initiative that selected New York City as an inaugural site. In 2003, Toyota awarded the city \$350,000 for a program targeted at immigrant parents and their school-aged children. The city's Department of Youth and Community Development (DYCD) administers the program, and DYCD and the city's Department of Education have provided supplementary funds. There are also a host of smaller adult education grants, like those to libraries and senior centers. In 2004, New York City received \$2.6 million in a federal Community Service Block Grant for a variety of immigrant-related services, including ESOL. The funding will increase slightly next year, to \$2.9 million.

says Margarita Mayo, education and job training policy development specialist at The Business Council of New York State. “Not having good reliable information would be why there isn’t more support. The more we can measure outcomes and the more we can look at programs in terms of results, the better it would be for sustaining and expanding them.”

As executive director of the Literacy Assistance Center of New York City, Elyse Rudolph has a particular interest in better informing businesses of what they have to gain through greater ESOL investments. “Any program that mixes for-profit with a social service endeavor has to answer the question of ‘What’s in it for me?’” Rudolph says. “You have to make a compelling case about why the business should participate.”

To this point, few have made that argument. New York City’s Department of Small Business Services runs a \$5 million program<sup>28</sup> to provide training for incumbent workers that could be a great resource for employers looking to improve the language skills of their employees. (For more on the difficulties of funding and running workplace literacy programs, see “Workplace Literacy,” below). “Companies may not realize how ESOL can affect them in terms of productivity and effectiveness,” says Ce-

leste Frye, executive director of NYC Business Solutions Hiring and Training for the Department of Small Business Services. But despite the clear need, the city has only received one application from a business for an ESOL-related grant. As noted earlier, however, many businesses simply don’t know about this and other programs.

Many experts believe the foundation community could also play a larger role in improving New York’s ESOL system. In addition to funding direct service, foundations could invest in capacity building for providers currently overwhelmed by demand and struggling with new reporting requirements. “At this point, finding foundation money that is strictly geared toward capacity building is really hard,” says one provider. “Foundations want sexy projects that brand their names. They should be more willing to do capacity building that will professionalize the field.”

Foundation dollars could go a long way, if they are used for the right projects. These could include the creation of a comprehensive statewide management information system for all funding streams, establishment of a ‘new ventures fund’ that allows providers to test out new ideas and tools, and assistance for providers struggling to put a price tag on program costs.

## WORKPLACE LITERACY

At first glance, Workforce Investment Act Title I and Title II funding seem like they’re cut from the same cloth—but for many providers that wish to offer both employment and literacy services, they may as well come from different planets.

In New York, the state Department of Labor administers Title I funds, which support everything from out-of-school youth initiatives to incumbent worker training. Service providers can use Title I money, under certain circumstances, for contextualized language instruction. The Title II funds, administered by New York’s Education Department, finance many of the broader literacy initiatives described in this report. It seems natural that a literacy provider could combine the funding streams for a comprehensive workforce ESOL program—but there is a wall between the two pots of money that is nearly impossible to scale.

New York City has used a portion of its WIA Title I funding to establish Business Solutions

Training Grants, which provide resources for training incumbent workers. However, federal rules often limit them from being used for ESOL training. A recent study from the office of New York City Council member Gale A. Brewer reports that “workplace ESOL is the most common training request from city businesses. But providing such training through existing Workforce 1 [WIA Title IB funds] funding streams alone, while not impossible, is difficult.”<sup>29</sup>

To advance in today’s economy, New York’s workers must offer both English proficiency and job-specific skills. More and more, providers are pairing literacy instruction with vocational training and seeing phenomenal returns [see I-BEST, p. 12]. But since providers often aren’t able to blend the two funding streams needed for that kind of partnership, the state can’t capitalize on the little money it has to deliver ESOL training with a contextualized focus.

## TWO POTENTIAL MODELS FOR NEW YORK

### BOSTON: ENGLISH FOR NEW BOSTONIANS

Although some baseball fans might instinctively disagree, the Empire State could learn a great deal from the experience of Boston, where local leaders are grappling with many of the same issues as their New York counterparts. A 2005 MassINC report, “The Changing Face of Massachusetts,” found that the state added 92,000 immigrants with limited English skills between 1980 and 2000. And from 2000 to 2004 alone, 172,054 new immigrants at all levels of English proficiency came to Massachusetts, accounting for all of the state’s population growth.<sup>30</sup>

In response to this emerging challenge, Boston launched a \$2.8 million initiative, called English for New Bostonians (ENB), in 2001. The project provides a range of services for the thousands of city residents in need of language instruction. Boston Mayor Thomas Menino championed the initiative, committing \$1 million in city funds over four years and working with business and philanthropic leaders to leverage an additional \$1.8 million from foundations and corporations. The city’s contribution is drawn from its “Jobs Trust,” a pool of funds that developers must contribute to when building property in the city. “The goal of the fund is to create jobs, and since ESOL is so essential towards jobs creation, this is part of it that comes out,” says Reverend Cheng Imm Tan, director of the Office of New Bostonians, which oversees the project.

MassINC reports that immigrants have accounted for 82 percent of the state’s labor growth since the mid 1980s, so ENB’s leaders see the program as an investment in the city’s future workforce. “This is not about meeting a demand, this is about the economic development of the whole city, as well, because there’s going to be more and more of a dependency on labor from immigrant populations,” explains Tan.

In its first phase, the program served 700 residents annually, increasing the number of people receiving publicly-funded ESOL in Boston by a whopping 30 percent. Building off its tremendous success, ENB has now entered into its second phase, a \$3.6 million three-year-long project with the goal of serving 1,000 people per year. They are also piloting a workplace ESOL initiative that works with small manufacturers in the city’s Marine Industrial Park. The businesses are providing release time and some financial support for the 100 employees participating in the program. ENB is adding a multimedia component, which allows students to learn English and communicate with teachers through a web-based program.

The program also has an advocacy and publicity arm. ENB has blanketed local TV stations with a public service announcement and billboards bearing a simple message: “Unlock all the talents of Boston, support English for New Bostonians.”

### WASHINGTON STATE: I-BEST

During the 1990s, Washington State saw its non-English speaking population more than double, from 117,000 in 1990 to 261,000 in 2000.<sup>31</sup> Recognizing the need for a policy response, state leaders crafted one of the most innovative English-language instruction programs in the nation: the Integrated Basic Education and Skills Training initiative, or I-BEST. “All the net growth in the state’s workforce will come from second language speakers,” says Kathy Cooper, policy associate at the Washington State Board for Community and Technical Colleges. “We created I-BEST very deliberately. More and more of the students in the workforce development system will not succeed if we do business as usual.”

In 2004, Washington funded ten colleges to implement this demonstration model, which pairs an ESOL or Adult Basic Education (ABE) instructor with a vocational instructor at each site to provide simultaneous

skills training and literacy instruction.

The three-year pilot process began with ten demonstration sites offering the integrated model. Walla Walla Community College, one of those sites, is located in an area that has seen an influx of Hispanic immigrants. Walla Walla’s I-BEST program provides students with industry-specific ESOL instruction and skills training for entry-level jobs in the region’s growing fields, like commercial driving and nursing.

The outcomes are impressive: students that participated in the I-BEST pilot statewide earned five times as many college credits, and were 15 times more likely to complete workforce training, than traditional ESOL students. The program is sweeping the state—23 of the state’s community and technical colleges now offer I-BEST programs in everything from accounting to early childhood education, with additional expansion planned.

## RECOMMENDATIONS

*Given the growing importance of English proficiency for New York State's workers, employers and general economic health, public and private sector leaders alike must address the myriad issues facing the ESOL system. The good news is that the needed changes are not controversial, or even much in dispute. Here is a first set of suggestions for the state's new political leadership:*

**State and local leaders must increase funding for ESOL.** The new governor and legislature have the opportunity to chart a new course for New York on English-language programming and reaffirm the state's commitment to integrating its newest residents into their communities and local economies. Raising the amount the legislature appropriates to Adult Literacy Education is a good first step. The mayors of the state's five biggest cities, as well as the county executives in Westchester and Long Island, should also explore investing local funds into ESOL training. And local and state leaders should work with New York's congressional delegation and explore other lobbying avenues to reverse the troubling trend of federal disinvestment in adult education programming.

**The business community must step up.** Even with additional government funds, the system will still be severely under-funded relative to the need. State officials and business leaders should urge employers to provide funding and release time for their workers in need of English instruction. Employers could also guarantee wage gains for workers who participate in ESOL programs. At the local level, Chambers of Commerce, Workforce Investment Boards and other local business intermediaries could serve as conduits to promote ESOL programs. One way

local intermediaries can do this is to partner with small businesses that lack the resources to send their own workers to ESOL training: if a neighboring mid-sized company is organizing an ESOL course, the local Chamber, Economic Development Corporation or other entity can connect with smaller businesses that couldn't achieve a critical mass on their own but might have one or two workers who would benefit from enhanced English proficiency.

**Measure, manage and promote service provision.** That the state does not even know exactly what is spent on ESOL services, or even how many are served overall, illustrates both the low priority that New York has placed on ESOL services and the serious deficiencies agencies have shown in managing programs that provide these services. The new administration should track the various funding streams to ascertain how much is being spent and how many people are being served. Government should work with foundations and other outside stakeholders to create a much-needed management information system for all funding streams, track the bottom-line value of ESOL instruction for individuals and employers, and better market that value to the private sector.

**Reform Employment Preparation Education.** Two decades after its creation, it's time to revise the program's inadequate structure and funding formulas. Possible changes should include revising the outdated contact hour rate, expanding eligibility for grants to community groups, libraries and colleges, and allowing grantees to roll over funds from one year to the next. Doing any of these would improve the services provided—and eliminate that misleading surplus. ❖

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## ENDNOTES

- 1 1990 and 2000 U.S. Census, 2000 American Community Survey (ACS) Supplementary Survey and 2005 ACS. ACS data are limited to households and exclude the population living in institutions, college dormitories and other group quarters. ESOL programs administered through New York State's Department of Education (ALE, EPE, WEP and WIA Title II) enrolled 71,050 adults in 1990-1991 and 86,111 in 2004-2005. Adult Literacy Information and Evaluation System (ALIES) enrollment data generated by the Literacy Assistance Center.
- 2 ALIES data.
- 3 2000 and 2005 ACS.
- 4 Basic literacy indicates skills necessary to perform simple and everyday literacy activities, such as comparing the ticket price of two sporting events or understanding a pamphlet that describes how a person is selected for jury duty. Below Basic indicates no more than the most simple & concrete skills, such as signing a form or adding amounts on a bank deposit slip.
- 5 The New York State Bureau of Proprietary School Supervision (BPSS) reports there are currently 41 certified ESOL schools in the state. Many licensed private and registered business schools offer English language training, as well. "Approximately 75,000 students attended schools in the ESL sector in 2005. Not all students who attend these schools are necessarily going to reside in the U.S. Many are run as summer programs for students, and some attend while a spouse is working in the U.S.," says Carole Yates, director of BPSS. They do not maintain statistics on enrollment in specific programs.
- 6 Mark Schneider, "National Assessment of Adult Literacy," National Center for Education Statistics, December 2005.
- 7 The New York Immigration Coalition, "Eager for English: How and Why New York's Shortage of English Classes Should Be Addressed," March 2001.
- 8 Unless otherwise specified, "adult" New Yorkers refers to ages 18-64. Source: 2000 and 2005 ACS.
- 9 2000 and 2005 ACS.
- 10 Ibid.
- 11 Ibid.
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- 13 A linguistically-isolated household is one in which no person aged 14 or over speaks only English at home or speaks another language at home and speaks English "very well."
- 14 Justin D. Baer and Yung-chen Hsu, "Highlights from the 2003 New York State Assessment of Adult Literacy," American Institutes for Research.
- 15 2000 and 2005 ACS
- 16 2005 ACS. The only counties where foreign-born residents had a higher median income were Albany & Bronx County.
- 17 2005 ACS.
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- 25 The funding for ALE has been increased, but at press time, the funds had not yet been released to providers.
- 26 Figures provided by Literacy New York.
- 27 Ohio Literacy Resource Center, "The Economics of Literacy."
- 28 Funded by WIA Title I.
- 29 Jak Koseff, "Widening the Net: Investing in the potential of the New York City Workforce 1 System," Office of New York City Council Member Gale A. Brewer, October 2006.
- 30 Andrew Sum, Johan Uvin, Ishwar Khatiwada and Dana Ansel, "The Changing Face of Massachusetts," MassINC and Center for Labor Market Studies, June 2005.
- 31 Washington State Board for Community and Technical Colleges, December 2005.

## CREDITS

This policy brief was produced by the Center for an Urban Future and the Schuyler Center for Analysis and Advocacy as part of the Working Poor Families Project. This national initiative, supported by the Annie E. Casey, Ford, Joyce and Mott Foundations, partners with nonprofit organizations to investigate the economic conditions and public policies concerning residents who hold jobs yet face serious difficulty in making ends meet. The initiative is currently working in 20 states. The Working Poor Families Project is managed by Brandon Roberts + Associates. For more information or to view other state reports, please visit [www.workingpoorfamilies.org](http://www.workingpoorfamilies.org)

This policy brief was written by Tara Colton. It was edited by David Jason Fischer and Jonathan Bowles.

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