

YOUNG INVINCIBLES

2018 New York Policy Agenda

Introduction

With a high young adult unemployment rate of 15%, a high young adult poverty rate of 20%¹ and with 14%² of young adults out of school and not working, New York's young adult generation is at an inflection point. This is particularly alarming considering more jobs require post-secondary education however state financial aid has decreased and we are seeing in-state tuition, fees, room and board at public universities jump 55% over the last decade bringing average student loan debt to \$32,200 in New York.³ With the underfunded Tuition Assistance Program, rising tuition, rapidly rising student debt, and an increased need for post-secondary credentials, too many New Yorkers are being left behind. While the newly established Excelsior Scholarship brought investment and attention to the need for new solutions for college affordability, it is vital that we ensure that all investments in higher education reach our most vulnerable young adults, including undocumented students. In addition, young New Yorkers—especially young adult immigrants—continue to experience high uninsured rates, threatening the health and security of this generation.⁴

This trifecta effect threatens the economic security and future of today's young adult generation. Young Invincibles is a non-partisan policy and research organization that amplifies young adult voices around issues that impact today's young adult generation: health care, higher education, and workforce/finances. This legislative session, the State should adopt the following agenda to take concrete steps toward ensuring young New Yorkers have equitable access to opportunity:

Workforce & Finances

Continue Reforming the New York Youth Jobs Program

The young adult unemployment rate is more than double the state rate at 10.5% with New York City at a rate of 14%.⁵ The unemployment rate for young adults of color in New York State can be as high as 25% versus a rate of 13% for their white peers.⁶ The New York Youth Jobs Program (formerly a \$50 million annual program called the Urban Youth Jobs Program) - a \$40 million tax credit available to employers who hire young adults - is the state's single largest investment to address youth unemployment, but does not adequately meet the need of employers and young adults.⁷ In January of 2016, Young Invincibles released *Sounding the Alarm: New York's Young Adult Unemployment Crisis & The Need for State-Based Reforms*, which highlights New York's high young adult unemployment rate, examines current design and history of the Urban Youth Jobs Program and makes four policy recommendations to address young adult unemployment more effectively. Last year, the legislature took action on one of the recommendations and repurposed \$10 million from the Urban Youth Jobs Program to establish the Empire State Apprenticeship Program, which incentivizes employers to take on disadvantaged, unemployed young adults across the state as apprentices. Apprenticeships and pre-apprenticeship programs are designed to help prepare young adults to succeed and bring employers highly skilled employees. Registered apprentices make over \$300,000 more in the course of their lives, including benefits, than their peers.⁸

Continue Reforming the New York Youth Jobs Program, cont.

As recommended in *Sounding the Alarm*, New York State should continue to repurpose the well-intentioned \$40 million investment currently funding the New York Youth Jobs Program by:

- Expanding the State's Pre-Apprenticeship Program by repurposing \$10 million of the New York Youth Jobs Program to build on the New York pre-apprenticeship that was launched in 2016.
- Bringing to scale evidence-based strategies such as young adult sectoral employment strategies.
- Expanding transparency, evaluation and reporting on the New York Youth Jobs Program.

Establish a State Sponsored Retirement Plan For Low-Income Workers (A.8332-B / S.6045-B)

Sixty% of Millennial New Yorkers do not have access to an employer-sponsored retirement plan, which is 10% more than any other age group.⁹ Additionally, we found that nationally Millennials earn \$10,000 less than young adults in 1989, a decline of 20%, making it even more important that young adults prepare for their future financial health.¹⁰ The New York State Secure Choice Retirement Savings Plan could provide retirement plan options for the more than 1.6 million Millennial workers in the state who currently lack access to a retirement plan at work.¹¹ The legislation would create a retirement savings program in the form of an automatic enrollment payroll deduction Individual Retirement Account (IRA), and would establish an administrative board responsible for promoting greater retirement savings for private sector employees in a convenient, low-cost, and transferable manner.

Higher Education

Make New York State's Financial Aid More Inclusive and Less Penalizing

Both the 40-year old Tuition Assistance Program and the newly established Excelsior Scholarship include arbitrary rules that leave out the most vulnerable students from accessing financial aid to earn a degree. By design, the Excelsior Scholarship encourages high academic achievement with credit requirements per semester as well as the requirement to graduate in four years.¹² However, currently within the SUNY¹³ and CUNY¹⁴ institutions, just over 50% of students graduate in four years so while the scholarship is encouraging students to graduate on time, it is not addressing all of the causes of low graduation rates from New York's public institutions. In order to address the causes of low graduation rates, the State needs to not only require on-time graduation but also support the educational institutions to provide the student supports that are needed to ensure on-time graduation. The administration and legislature should:

- Align necessary credit hours of the Excelsior Scholarship to the federal financial aid definition used to determine "full-time" student status.
- Provide necessary resources that are needed to meet the rigorous graduation requirement such as additional advisors, scaled up opportunity programs, and other well-documented strategies we know work.
- Revisit the post-residency requirements to incentivize graduates to stay in New York rather than penalize them for moving out of state.

Close the TAP-Gap and Create Protections for Student Borrowers

The NYSUNY 2020 legislation passed in 2011 mandated that when tuition surpasses the maximum Tuition Assistance Program (TAP) award, the universities, not the state, are responsible for filling the gap between tuition and TAP for the most at-need students.¹⁵ Unfortunately, this has cost SUNY and CUNY tens of millions of dollars each year as the TAP gap has continued to grow with annual tuition increases. This threatens the institutional ability to provide critical support

Close the TAP-Gap and Create Protections for Student Borrowers, cont.

services like tutoring and additional course offerings. Furthermore, the TAP gap has left middle-income and low-income students who don't qualify for the maximum award to fill the gap that TAP used to before tuition surpassed it. The state should eliminate the TAP gap by lowering tuition and indexing the TAP award with tuition so tuition no longer exceeds TAP grants and grows with the costs of college.¹⁶ Additionally, the State should ensure there are protections for students who need to take out loans in order to pursue higher education opportunities.

Extend state financial aid to Undocumented Students

There are more than 800,000 undocumented residents—43% of who are between the ages of 16 and 34—in the state. Undocumented immigrants face a number of structural, social, and financial barriers in accessing higher education. They do not have access to in-state need-based college aid, which includes the Tuition Assistance Program (TAP) and the Excelsior Scholarship and are also barred from all forms of federal financial aid including the Pell Grant and student loans. Research shows that education is vital to success in today's workforce and now more than ever, college graduates earn more over a lifetime, tend to be more civically engaged, and are able to contribute to their families intergenerational wealth in ways that are less likely without a college education. The state should open the Excelsior Scholarship to undocumented students and pass the state-level DREAM legislation to extend eligibility of the Tuition Assistance Program (TAP) to the state's undocumented young adult students who meet the same income qualifications as anyone else.¹⁹

Establish a State Sponsored Retirement Plan For Low-Income Workers (A.8332-B / S.6045-B)

Governor Cuomo should enact a bill that passed the Assembly and Senate with nearly unanimous support - the College Maintenance of Effort (MOE) legislation that would begin to reverse the State's disinvestment in CUNY. From 2008 to 2015, per-student funding from the State fell 17% for CUNY's senior colleges, when adjusted for inflation. The MOE bill was a promise made as part of the NYSUNY 2020 legislation passed in 2011 that the state would pay for mandatory cost increases, however the state has failed to uphold this, costing the universities tens of millions of dollars since 2011.

Health Care

Continue Medicaid coverage for DACA recipients using State-only funds

This maintains the status quo and allows current DACA recipients who are on Medicaid to keep the coverage they already have. It is estimated that between 5,000 - 10,000 DACA recipients currently have State-only funded Medicaid coverage.

Establish universal young adult coverage through an expansion of the Child Health Plus (CHP) program to all young adult immigrants through age 29

This step would provide DACA recipients and unauthorized immigrants who meet the new age qualifications with coverage that is equivalent to the coverage offered to other New Yorkers of the same age in the Essential Plan or through Qualified Health Plans in the Marketplace.

It would cost approximately \$78.2²⁰ million to expand CHP up to age 30, according to the 2016 report *How Can New York Provide Insurance Coverage to its Uninsured Immigrant Residents?* Assuming an increase of six% for medical trend, this step would cost New York State approximately \$83 million. Currently the CHP budget is nearly \$1.5 billion.

Endnotes

¹ Young Invincibles Analysis of American Community Survey, 1 year estimates of average poverty and unemployment rate for ages 16-to-24 in New York State.

² “Reconnecting Opportunity Youth: 2015 Data Reference Guide,” Tulane University, Cowen Institute For Public Education Initiatives, 2, Accessed September 27, 2016, <http://www.speno2014.com/oydataguide/> .

³ “Student Loan Debt in New York State,” Office of the New York State Comptroller, i, Accessed October 31, 2016, http://www.osc.state.ny.us/reports/highered/student_loan_debt.pdf.

⁴ Kevin Stump, Young Adult Uninsurance in New York, (Washington, DC: Young Invincibles, 2015), 2, <http://younginvincibles.org/wp-content/uploads/2016/02/Young-Adult-Immigrants-Feb20161.pdf>.

⁵ NYCLMIS analysis of BLS Local Area Unemployment Statistics (LAUS) and Current Population Survey microdata sample, July 2015 to December 2016.

⁶ Young Invincibles Analysis of 2014 American Community Survey 5-year estimates.default/files/2014-trends-student-aid-finalweb.pdf.

⁷ New York State Labor Law Article 2, Section 25-A, <https://www.nysenate.gov/legislation/laws/LAB/25-A> .

⁸ Debbie Reed et al., An Effectiveness Assessment and Cost-Benefit Analysis of Registered Apprenticeship in 10 States (Washington, DC: US Department of Labor, 2012), https://wdr.doleta.gov/research/FullText_Documents/ETAOP_2012_10.pdf

⁹ David John and Gary Koenig, “Workplace Retirement Plans Will Help Workers Build Economic Security,” AARP, Accessed October 31, 2016, <http://www.aarp.org/content/dam/aarp/ppi/2015-08/aarp-new-york-fact-sheet.pdf> .

¹⁰ Tom Allison, The Financial Health of Young America, (Washington DC: Young Invincibles, 2017), <http://younginvincibles.org/wp-content/uploads/2017/01/FHYA-Final2017-1.pdf>.

¹¹ David John and Gary Koenig, “Workplace Retirement Plans Will Help Workers Build Economic Security,” AARP, Accessed October 31, 2016, <http://www.aarp.org/content/dam/aarp/ppi/2015-08/aarp-new-york-fact-sheet.pdf> .

¹² Excelsior Scholarship Fact Sheet. <https://www.hesc.ny.gov/pay-for-college/financial-aid/types-of-financial-aid/nys-grants-scholarships-awards/the-excelsior-scholarship.html>

¹³ SUNY Graduation Rates Data. <https://www.suny.edu/about/fast-facts/>

¹⁴ Institution Retention and Graduation Rates of Full-time Transfers in Baccalaureate Programs by Year of Entry:* Total University http://www.cuny.edu/irdatabook/rpts2_AY_current/RTGI_0008_FT_TNS_BACC_TOT_UNIV.rpt.pdf.

¹⁶ Ibid.

¹⁷ “Profile of the Unauthorized Population: New York,” Migration Policy Institute, Accessed November 25 2015, <http://www.migrationpolicy.org/data/unauthorized-immigrant-population/state/NY>

¹⁸ Jennifer Ma, Matea Pender, and Meredith Welch, Education Pays 2016, (New York, NY: College Board, 2016), 3-4, <https://trends.collegeboard.org/sites/default/files/education-pays-2016-full-report.pdf>.

¹⁹ “Update: The NY DREAM Act,” Office of the State Comptroller, Accessed October 31, 2016, <https://www.osc.state.ny.us/osdc/rpt11-2014.pdf> .

²⁰ Benjamin, Elisabeth R. “How Can New York Provide Health Insurance Coverage to Its Uninsured Immigrant Residents? An Analysis of Three Coverage Options.” Community Service Society of New York , Jan. 2016, www.cssny.org/publications/entry/covering-new-yorks-uninsured-immigrant-residents.