

Phil Janowicz's HOPE (Hiring Opportunities and Practical Education) Act

Background: After a decade of stagnant wage growth and the worst financial crisis since the Great Depression, American workers continue to struggle to make ends meet. A recent study by the Federal Reserve Bank of New York found that household debt has now reached a record level - \$12.7 trillion¹. Meanwhile, the labor force participation rate has dropped to 63%, down from 66% in 2006, before the financial crisis.

The future will bring an unprecedented array of challenges for the middle class. According to Princeton economist Alan Blinder, as many as 29% of all American jobs are offshorable². A 2013 Oxford study projects that nearly half of all jobs - 47% - could be automated³.

While more jobs are at risk, the jobs of the future present new opportunities. By 2025, more than a million jobs in California will require post-high school education, primarily skills-based training⁴. A PBS report found that employers like California Steel Industries pay supervisors without college degrees as much as \$120,000 per year. Technical fields like welding and other crafts provide good-paying, middle class jobs that can't be easily automated or offshored⁵.

States like Tennessee are already leading the way to make community college and vocational programs affordable. The free community college program in Long Beach has boosted attendance rates by 71% since 2008, while nearly 70% of students have gone into complete four-year college within six years, above national benchmarks⁶.

Here in the 39th Congressional district, we have three major community colleges with a combined enrollment of more than 84,000 students⁷. In Orange County as a whole, there are more than 127,000 veterans, a group that suffers a disproportionately high unemployment rate⁸.

Policy Details:

Business leaders and policymakers from across the political spectrum are increasingly focused on the value of community college. In our polarized Congress, most bills that become law require consensus and cross-ideological support. That's why this multifaceted community college affordability proposal melds the best approaches from Republicans and Democrats.

Accountability: The first element incorporates Senator Marco Rubio's bipartisan "Know Before You Go" legislation, which requires higher education institutions to provide salary information for different degree programs. This is essential for ensuring accountability and transparency⁹. If customers can calculate calories from a restaurant menu before ordering food, students should know the value of a degree program before they decide on an educational track.

The Know Before You Go provisions, per Senator Ron Wyden's office¹⁰:

- 1. Post-graduation average annual earnings;*
- 2. Rates of remedial enrollment, credit accumulation, and graduation;*
- 3. Average cost (both before and after financial aid) of the program and average debt accumulated;*
- 4. The effects of remedial education and financial aid on credential attainment and a greater understanding of what student success can mean."*

Affordability:

¹ <https://www.newyorkfed.org/newsevents/news/research/2017/rp170517>

² <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.360.5806&rep=rep1&type=pdf>

³ http://www.oxfordmartin.ox.ac.uk/downloads/academic/The_Future_of_Employment.pdf

⁴ <https://www.pbs.org/newshour/amp/updates/decades-pushing-bachelors-degrees-u-s-needs-tradespeople>

⁵ *Ibid*

⁶ <http://www.pe.com/2017/05/27/free-community-college-tuition-the-idea-is-spreading-across-southern-california/>

⁷ <https://www.noccd.edu/noccd-at-a-glance>

⁸ <https://www.ocbc.org/wp-content/uploads/2016/07/Chase-Middle-Skills-report-for-web.pdf>

⁹ <https://www.rubio.senate.gov/public/index.cfm/2015/9/rubio-warner-wyden-student-right-to-know-before-you-go-act-would-strengthen-college-scorecard-database>

¹⁰ <https://www.wyden.senate.gov/download/?id=A50C8905-64F7-4B6C-B32A-E57CE619C818&download=1>

Grounded in the landmark reforms passed in Tennessee, former President Barack Obama’s tuition-free community college provides a compelling blueprint for making skills-based education more affordable for Americans. His proposal would help 9 million students save an average of \$3,800 in tuition per year¹¹.

Like the America’s College Promise proposal, this plan makes two years of community college free for eligible students. Our combined plan also includes the accountability provisions - including a rigorous vetting process for ensuring that resources go to institutions with a track record of producing results. Students will be required to maintain at least a 2.5 GPA and demonstrate progress toward completing their chosen track.

While President Obama’s plan included a 75/25 funding split between states, this plan covers 88% of costs at the federal level. This higher funding level encourages participation by states, helping more students.

Fiscal feasibility:

This plan targets wasteful federal spending and zeroes out inefficient subsidies to the oil and gas industry. By addressing waste and distortionary giveaways, we can fund community college without raising federal taxes.

First, the *Government Accountability Office* has identified billions in spending on duplicative federal programs¹². We can achieve \$16 billion in cost savings by taking actions like consolidating federal data centers.

Second, eliminating subsidies to oil and gas companies - an industry that is one of the most profitable in the country - would generate just over \$37 billion in cost savings over the next decade.¹³

Third, the federal government manages at least 77,000 buildings that are vacant or underutilized. The *Congressional Research Service* concludes that selling unneeded properties would yield up to \$16.7 billion in revenue over the next decade¹⁴.

Category	Programs	Expected Revenue
Duplicative spending	Consolidate federal data centers (\$5.4 billion); mandate that the Department of Defense use “strategic sourcing” (\$4 billion); boost “demonstrative spending” at the Centers for Medicare and Medicaid Services (>\$2 billion); better management of oil and gas on federal lands (\$1.7 billion); consolidate mobile communications (\$388 million); improve oversight of state spending at the Centers for Medicare and Medicaid Services (>\$200 million)	>\$15.9 billion
Subsidies to oil and gas companies	Domestic manufacturing deduction (\$11.6 billion); intangible drilling costs (\$13.9 billion); percentage depletion allowance (\$11.5 billion)	\$37 billion
Unoccupied federal facilities	Sell unneeded federally-owned buildings.	>\$16.7 billion

¹¹ <https://www.wyden.senate.gov/download/?id=A50C8905-64F7-4B6C-B32A-E57CE619C818&download=1>
¹² <https://www.gao.gov/assets/680/676473.pdf>
¹³ <http://www.foreffectivegov.org/sites/default/files/budget/Revenue/OilandGas.pdf>
¹⁴ <https://fas.org/sgp/crs/misc/R42646.pdf>