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NYATEP

THE FORCE IN WORKFORCE DEVELOPMENT

**Testimony of New York Association of Training & Employment Professionals (NYATEP)
Before the Joint Legislative Hearing on the 2016-2017 Budget Proposal**

**Workforce Development Hearing
February 3, 2016**

Presented by Melinda Mack, Executive Director

Good afternoon, my name is Melinda Mack. I am the Executive Director of the New York Association of Training and Employment Professionals, also known as New York State's workforce association. We are made up of over 140 organizations that are deeply committed to workforce development as economic development, and we are an affiliate of the NYS Association of Counties. We consider a human capital strategy critical to the success of New York's businesses and to our citizens' economic security. Founded in the late 1970's, our membership represents every county in the State, and includes workforce boards, providers of economic development, literacy, education, job training, and employment services. Our members range from small community based organizations that work within neighborhoods or with special populations, like veterans, those with criminal justice histories or youth, to huge institutions like the City University and State Universities of New York. To support our members, and the wider workforce community, we advocate on issues affecting the workforce system, operate pilot programs and conduct professional development to support an effective and thriving workforce development network in New York State.

I am here today because we know that more skilled and employed New Yorkers, means more than just jobs. It means communities are healthier, local economies are stable; there is a larger base of consumers and taxpayers, and ultimately more profitable businesses.

Despite the benefits of a robust human capital strategy, New York State has not made workforce development a priority. In this year's Executive Budget, funding to invest in programs to educate, train and employ New Yorkers is flat, if not non-existent. (See Attachment A). Whereas, other states like Mississippi, Massachusetts, Michigan, Minnesota, and even Louisiana have dedicated significant state resources to developing a range of

workforce initiatives primarily focused on training that have been cited as national promising practices. Just last week, Governor Baker of Massachusetts increased their statewide investment in workforce training programs by \$20 million. New York's strategy has instead been grounded in the provision of business tax credits, Excelsior Jobs Program, Urban Youth Jobs Program, etc. that offer little conclusive evidence that show that business tax incentives create net economic gains above and beyond what would have been attained in the absence of the incentives.¹ We have heard anecdotally that businesses would have hired the available jobseekers regardless of the tax credit that business who would have hired the available jobseekers regardless of the tax credit.

In our State, investing in "skills" has long meant providing resources to the "traditional" education pipeline geared towards young people including K-12, and expanding college access. These are critical investments, and they should not diminish. However, we also need to invest in the millions of people who are already in the workforce or who want to work. In New York State alone, two thirds of people expected to be in the workforce in 2025 were already working adults in 2010 – well past the reach of the much talked about high school-to-college pipeline. If you speak with businesses across the State, one of their priorities is consistently a skilled workforce. A robust human capital strategy means recognizing that one needs to continue to have access to education, job training and skills development – including English language acquisition, literacy and numeracy, on-the-job, short-term and career oriented job training and postsecondary education – throughout adulthood. Because career paths are iterative, we need to invest in opportunities to adapt ones skills to meet the ever changing needs of the current and future economy.

Even though we can all agree, a skilled workforce matters. Just in the past ten years funding at the federal level for job training and workforce services has decreased by 50%, and the State has either dramatically scaled back or chosen not to find resources for the programs that get New Yorkers the basic education, work readiness, and employer-specific skills needed. In a detailed recent analysis we completed with the Center for an Urban Future, *Seeking a State Workforce Strategy*², we found that just since 2009 funding has decreased by nearly \$30 million in New York State. And, the result is open jobs remain unfilled, and workers are without the skills they need to compete. It is a lose, lose situation.

¹ Marilyn M. Rubin and Donald J. Boyd, "New York State Business Tax Credits: Analysis and Evaluation," New York State Tax Reform and Fairness Commission, November 2013.

² *Seeking a State Workforce Strategy, 2015*,
https://nycfuture.org/pdf/Seeking_A_State_Workforce_Strategy_Update.pdf

There are two key ingredients that make workforce development successful:

- Education and training that meet local workforce needs and are informed by employers, and flexibility to meet both the employer and jobseeker needs. A training program that is cumbersome or too slow for businesses; means they will not participate.
- Local workforce areas understand that there is no “one-size-fits-all” approach to training, and also understand that in some cases (in the cases of those with low literacy attainment) will take years for jobseekers to reach their career goals.

We also know, that we do not need to create something new, there is already an infrastructure in place; including programs and relationships with businesses that are ready to scale – they just simply lack funding. In New York State there are 33 local workforce boards who work regionally, directed by business driven boards, to understand the local labor market, and to direct resources to local and regional demand. These local programs are funded by the federal workforce dollars, through the Workforce Innovation and Opportunity Act, resources from the Workforce Development Institute, private philanthropy, and local tax levy dollars, but they need more funding.

Specifically, we ask the Legislature to consider:

- The restoration and expansion of funding to the *Workforce Development Institute (WDI)*. The resources currently provided to WDI are the most flexible, and are the primary state investment in workforce development. These funds have allowed already solid partnerships to expand locally to increase services to jobseekers and businesses.
- The restoration and expansion funding of *Career Pathways* programs, which aligns with the required emphasis on increased coordination between education, training and employment within the federal Workforce Innovation and Opportunity Act. This program should be accessible to the wide network of highly qualified workforce programs from community-based organizations and local workforce boards, to BOCES programs and programs that serve individuals with multiple barriers to employment.
- Supporting the *Apprentice SUNY/CUNY* initiative, but also simultaneously pilot an Apprenticeship NY program that would enable local workforce programs with strong employer relationships to develop apprenticeship programs. Expansion of apprenticeship is an effective workforce strategy, but we also encourage the expansion

across educational pathways including high school equivalency and job training programs.

- Increase funding for *Summer Youth Employment*. Last year 18,799 youth were served at over 10,500 worksites with the investment made by the Governor and Legislature. But from our research less than half of the youth who applied for the summer programs across the State were able to access the program due to the limited slots. Ideally the program could be dramatically expanded to provide work experience to significantly more youth, and also to provide a limited number of year round subsidized opportunities for at-risk youth. For many young people this is their first work experience, where they learn the critical soft skills employers so desperately need. We encourage you to review our compilation of stories from youth who participated in last year's programs: <http://nyatep.wix.com/nysummeryouth>
- Additionally, if the State is really looking to achieve long-term, lasting results we encourage the State Legislature and the Governor's office reassess how the State makes investments in economic development, aimed at creating jobs. Currently, the *Regional Economic Development Councils* (REDC) are investing just under 2% of total available funds to support job training. We know that job training and workforce services are a good investment that have been evaluated and measured, more so than many of the massive economic development investments currently made in the state. We encourage the Legislature to require deeper connections to the currently operating workforce development system contained within REDC regions, namely engagement on the REDC boards and within subcommittees to ensure local and federal investments in job training and employment, and workforce intelligence is leveraged. Additionally, requiring the economic development proposers to submit a hiring and training strategy for proposed projects would force the consideration of workforce development.

With the significant investments being made in economic development, it would be foolhardy to treat human capital as anything but critical to the State's current and future economic success. Other states are ahead of the game by deliberately setting aside a portion of their available tax levy resources, or generating new funding to ensure that federal funding gaps do not go unfilled.

Thank you for the opportunity to speak with you today. I am happy to address any questions you have now or in the future.

Attachment A: Budget Comparison (as of Jan. 12, 2016)

Adult Education Funding	Agency	2015-16 Enacted Budget	2016-17 Executive Budget
Adult Literacy Education (ALE)	Education	\$6,293,000	\$6,293,000
Basic Adult Education/Welfare Education Program (WEP)	Education	\$1,843,000	\$1,843,000
Employment Preparation Education (EPE)	Education	\$96,000,000	\$96,000,000
Workforce Innovation and Opportunity Act (WIOA) Title II	Education	\$48,704,000	\$48,704,000
Workforce Development Funding (Job Training/Workforce Services/Career & Tech Education/Employment Services)	Agency	2015-16 Enacted Budget	2016-17 Executive Budget
Workforce Innovation and Opportunity Act (WIOA) Statewide Services to Adult, Dislocated Worker, Youth and Rapid Response Activities	Labor	\$151,015,000	\$147,394,000
Misc. Services & Expenses Related to Administration of WIOA	Labor	\$20,000,000	\$35,000,000
Self-Employment Assistance Program operated by Small Business Development Centers or Entrepreneurial Assistance Programs	Labor	N/A	\$5,102,000
UI Occupational Training Fund	Labor	\$26,500,000	\$26,500,000
Senior Community Services for Older Americans	Aging	\$9,000,000	\$9,000,000
Summer Youth Employment	OTDA	\$30,000,000	\$31,000,000
Career Pathways Program	OTDA	\$1,500,000	\$0
Employment support for individuals with HIV/AIDS	OTDA	\$1,161,000	\$1,161,000
Displaced Homemaker	Labor	\$1,630,000	\$0
Chamber/Community Organization Workforce Activities	Labor	\$1,495,000	\$0
AFL-CIO Workforce Development Institute funding	Labor	\$7,650,000	\$0
Center for Employment Opportunities Services workforce development activities	Corrections	\$1,029,000	\$1,029,000
Office of New Americans	Dept. of State	\$6,440,000	\$6,440,000

Health Workforce Retraining	Health	\$26,817,000	\$26,817,000
Direct Care Worker recruitment and retention	Health	\$22,400,000	\$22,400,000
YouthBuild	Labor	\$300,000	\$0
Brooklyn Chamber of Commerce	Labor	\$500,000	\$0
Solar Energy Consortium	Labor	\$500,000	\$0
Hillside Works	Education	\$490,000	\$490,000
College Access and Workforce Services in Higher Education	Agency	2015-16 Enacted Budget	2016-17 Executive Budget
Next Generation Job Linkage Program	CUNY & SUNY	\$5,000,000	\$5,000,000
State Financial Assistance for Community College contract courses and workforce development	CUNY & SUNY	\$3,760,000	\$3,760,000
Foster Youth College Transition Support	Education		\$1,500,000
Early College High Schools and P-Tech Expansion	Education	\$3,500,000	\$1,465,000
CUNY Accelerated Study in Associates Program	CUNY	\$2,500,000	\$0
Apprentice SUNY/CUNY Program	CUNY	\$0	\$5,000,000
STEP/CSTEP Programs	CUNY/SUNY	\$23,161,070	\$23,161,070
Higher Education Opportunity Program	Education	\$29,605,920	\$29,605,920
Provides resources and capacity of career centers at community colleges in coordination with NYSDOL	CUNY & SUNY	\$1,750,000	\$0