



Testimony of JobsFirstNYC before the Joint New York State Legislative Hearing regarding 2018-2019 Executive Budget Proposal for Workforce Development on January 24, 2017 delivered by Kevin Stump, Vice President of Policy, Communications, and In-School Practice

Attached: Unleashing the Economic Power of the 35 Percent

Good afternoon, distinguished members of the New York State Senate and Assembly. My name is Kevin Stump and I am the Vice President of Policy, Communications, and In-School Practice at JobsFirstNYC. We are a neutral intermediary working to reduce the number of out-of-school and out-of-work young adults in New York City.

For ten years, JobsFirstNYC has been working with local communities across the five boroughs developing and supporting collaborative and innovative strategies to find effective solutions to support out-of-school, out-of-work young adult New Yorkers and the community they live in. Core to JobsFirstNYC's approach is using the lessons learned throughout our work to inform systems-level policy needs. We welcome the opportunity to provide high-level feedback to the Executive Budget proposal for Workforce Development to ensure that every young adult can access the economy and reach their fullest potential.

We are a founding member of the ***Invest in Skills New York*** campaign that is launching this year. The campaign is a statewide advocacy partnership between the employers and the economic and workforce development community aimed at making a skilled workforce an economic priority for the Governor and the New York State Legislature. We believe that together with the State we can institute and advance three key policy principles to build an education and workforce system that is responsive to current needs and is adaptable to the changing nature of work. These principles include:

- **Funding and Scale:** New York needs stable State-funding to scale evidence-based workforce development programs and practices;
- **Intentional System Design:** New York needs to deliberately align economic and workforce development strategies; and connect the systems delivering education, job training and employment, so that the future workforce and employers engage in a seamless system of services that respond to talent development demands;
- **Modernize Infrastructure:** New York needs to invest in workforce strategies based on data. The workforce system should rely on real-time labor market data and utilize an integrated data system to measure performance and reduce duplication.

Over the past five years, New York City has seen a notable decrease in the number and share of 18- to 24-year-olds who are out of school and out of work: from 22 percent (188,588 young adults) in 2010, to 17 percent (136,483) in 2015. However, the barriers faced by the remaining 136,483 young adults increases the challenges to serving them.

Recent research by JobsFirstNYC (to be published in the coming weeks) has also surfaced a new set of structural challenges that the out-of-school, out-of-work population is faced with. Among them include how

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of young adults**



most job growth over the last five years has been in part-time work, as full-time jobs have decreased. And even with a tighter labor market and increased demand for labor, wages for young people have stagnated. Additionally, despite higher high school graduation rates and increasing college enrollment rates, a growing number of young people are leaving college without credentials to enter the labor market—with many falling into low-wage work or becoming part of the out-of-school, out-of-work population. Despite these new structural challenges as well as some persistent barriers for young adults to participate in the economy, the state has not adequately responded with its own strategy. In fact, much of the youth workforce development discourse has been focused on programs that mostly serve in-school youth (i.e., Summer Youth Employment Program) without any real workforce development investment or strategy to help connect all New Yorkers to economic opportunity.

That's why we are excited to support the Governor's unprecedented workforce development vision. Governor Cuomo's proposal to add \$175 million to support workforce development efforts, establish a statewide workforce development office, design a workforce data system, and establish a one-stop shop for jobseekers and employers is a victory in and of-itself. However, we must remain diligent to ensure his vision becomes the reality New Yorkers need it to be.

The proposed \$175 million of funding through the Regional Economic Development Councils is a much needed and timely investment—especially given the rapidly changing nature of the economy. Critical to the success of Governor Cuomo's bold proposed investment is to ensure that these resources are structurally permanent dollars the workforce, education, and economic development systems can depend on year-to-year in order to adequately train New Yorkers to meet labor market demand.

Because actual funding for the workforce system has declined significantly over the last decade—despite the increasing need for more industry-specific training and credentials—some of the initial resources should be used to build up and modernize the existing workforce development infrastructure. This will allow the workforce development system the opportunity to partner with employers and industry sectors, going beyond their current capacity to create cutting edge, innovative training and skill-development strategies for tomorrow's workforce. Importantly, these resources must be given the flexibility to create innovative workforce development strategies that are responsive to current demand and can anticipate tomorrow's evolving needs.

While Governor Cuomo's proposal to establish a new State Office of Workforce Development is an important step in the right direction, to be effective, this office must have the authority and capacity to truly facilitate interagency coordination and systems building, and must be adequately resourced as a structural part of the Executive Chamber answerable to the Governor. This office must also be accountable to the New York State Legislature through public oversight hearings and publicly available annual reporting to maximize transparency and effectiveness.

Governor Cuomo's proposal to create a one-stop shop online portal for workers and businesses is a 21st century idea that JobsFirstNYC called for in *Unleashing the Economic Power of the 35 Percent* (attached), recognizing the fractured and siloed nature of education, training, and employment. If effective, this portal



will be a transformative tool that will include job and career information, education and training resources, geographical information on how to find social services related to work, and more.

Governor Cuomo's plan to create a statewide data analytics system modeled after Monroe Community College's framework is a welcomed idea. At first glance, the proposal seems to only focus on the demand-side data that is critical to informing where more training and workers are needed to fill skills gaps. However, to be truly comprehensive, this new system must include a universal way to understand and measure programmatic performance that is easy to engage with and will help employers find creative solutions to meet their employment needs. Any workforce development data system must also include the supply-side data that informs the potential untapped talent pools employers can leverage. This will ensure that state resources are being used efficiently and help the workforce development field adjust its practice accordingly.

Finally, in partnership with the Invest In Skills NY Campaign, we respectfully request a public hearing to allow for all stakeholders to provide input and feedback on the Governor's plan and to ensure the legislature is given ample opportunity to ask questions and hear from their constituents regarding Governor Cuomo's unprecedented proposal.

We greatly appreciate the opportunity to testify here today and look forward to working with each of you to ensure that all young adults have access to the economic life New York State. Thank you.