



# Under the Mattress

## Why NYC's Jobs System Remains a Work in Progress

New York Governor George Pataki recently made the pilgrimage to Washington, D.C. to request an additional \$54 billion in federal government aid to his state, still reeling from the terrorist attacks of September 11. Among his arguments for the money, Pataki made the case that in New York City, the destruction of the World Trade Center drove tens of thousands more out of work in an economy that had already faced worsening unemployment.

Despite enduring public sympathy for the city's plight, it's hard to imagine how Congress would respond to requests such as Pataki's if members were aware that the city has been sitting on hundreds of millions of dollars in federal funds for job training and workforce support. Of the approximately \$184 million allotted to the city under the federal Workforce Investment Act (WIA) for 1999-2000, as of August 31, over \$97 million remained "under the mattress"—a fitting description, since the city is legally barred from earning interest on it. As of August 31, HRA has spent none of the \$114.6 million appropriated for this year, according to state figures.

The Center for an Urban Future estimates that the total amount available for workforce development in New York City is likely close to \$250 million, including additional unspent welfare-to-work funding, training money available under Temporary Assistance to Needy Families (TANF), and dollars earmarked for employment services under the recent National Emergency Grant.

It's not as if there's nothing to spend it on. Far from having a strong network of trainers, employers, and government agencies at the ready to help with quick job placements for some and retraining for others, New York City's workforce development resources at the time of the attacks were shockingly slight: a lone one-stop job training center for the entire city located in Jamaica Queens, a one-hour subway ride from lower Manhattan, with few satellite locations and negligible connections with businesses and the city's educational institutions. For its delay in complying with WIA, the city has been at risk of losing millions of dollars earmarked for job training.

Judging from how local authorities have responded to that threat, one might get the idea they wouldn't mind being relieved of the burdensome funds. The responsibility for spending New York City's federal workforce money has fallen to the Human Resources Administration (HRA), which through August 31 failed to spend a stunning 62 percent of the city's total allotment for last year, in addition to the entire 2001 allocation. As of September, HRA has also sat on an additional \$114 million in federal TANF money earmarked for helping to put welfare recipients to work, expending just \$25.5 million—just 18.2 percent of the total.

Under Commissioner Jason A. Turner, HRA has focused its energies on keeping the welfare rolls as low as possible—and has shown a pronounced antipathy toward any job training beyond the bare minimum needed to secure a low-wage position. HRA's power over the WIA purse strings has given it an effective veto over the city's workforce community.

The failure to spend available funds and develop a solid workforce system left city officials with little to build upon when the workforce crisis hit after September 11. Fortunately, as was the case in so many other facets of life in the city, the extremity of the crisis provoked a heroic response. Two days after the attacks, a group that included Workforce Investment Board chair Stuart Saft and executive director Dorothy Lehman, Joe McDermott of the Consortium for Worker Education (CWE), and representatives of various city agencies and private firms with an interest in the system, met at the CWE offices to discuss possible actions to ease the economic pain already descending on the city.

What emerged in the meeting was a collective decision to do everything humanly possible to ease the economic pain that would inevitably follow the worst disaster in the city's history. The resultant response, highlighted by the creation of the Twin Towers Job Link Centers and the CWE employment clearinghouse, has helped thousands of New Yorkers find stability in the aftermath of the tragedy. Several of the key participants—most notably Board officials Saft and Lehman, McDermott and his CWE colleagues, and staff involved in implementing the Twin Towers sites—have earned praise for their tireless efforts.

City, state, and federal agencies have come together to staff the Twin Towers Job Centers, the first of which opened at the one-stop site in Queens just six days after the attacks. At the four locations, displaced jobseekers can access employment services and get information on city, state and federal emergency benefits from unemployment insurance to disaster loans from the federal Small Business Administration. Over 4,000 New Yorkers have been served through the Twin Towers sites as of Oct. 23. The city has also set up a job bank into which employers have put 28,000

openings, according to officials at the one-stop.

The Consortium's emergency employment clearinghouse, meanwhile, has sought to identify jobs for those displaced by going straight to the source. Through its own resources, as well as those of the New York City Central Labor Council, the New York City Partnership, and the Real Estate Board of New York, CWE has reached out to more than 5,000 local employers. Officials approached these companies with a request: provide temporary positions for some of the thousands of workers displaced by the attack and its aftermath. As the employers sent in their vacancies, CWE and the Central Labor Council have screened displaced workers to match them with appropriate positions. Through Oct. 22, employers had called in with 4,500 positions to be filled; over 13,000 jobseekers have come in search of work, with about 3,000 already scheduled for interviews.

CWE asked the employers for jobs lasting at least 90 days, to help displaced workers and their families through the holidays and the end of the year. According to associate executive director Saul Rosen, many could last considerably longer. "Almost all the offers [from employers] have been full-time and permanent," Rosen says. "They haven't been the temporary jobs we'd requested; they're filling their ongoing needs through this."

CWE's central role in the response comes as little surprise to longtime observers of workforce issues in the city, who cite the organization for its strategic vision, political savvy, and deep pockets as well as for the generally high quality of its programs. In the comparative void of workforce development in New York City, the Consortium has taken a dominant role within the publicly funded system while continuing to operate outside of it. New York's lone one-stop center in Jamaica, Queens, in which various local and state agencies involved in job training gather to offer their services to those seeking work, is administered by CWE through an arrangement with city agencies HRA and the Department of Employment. Finally, CWE has supplied the voucher-based system WIA mandates for paying job training providers. Time and again, the city has turned to the union-backed nonprofit to ensure that NYC stays on the right side of WIA; according to federal sources, if it weren't for CWE, the city would not be in compliance with the law.

Most other providers within the city's workforce system, however, have found themselves hamstrung by cash flow crises and the demanding performance standards of the city's welfare to work contracts. Their difficulties in finding a role within WIA have been made worse by the striking inaction of the city itself. Fifteen months after opening the Jamaica facility, New York City has yet to open any additional one-stop centers. (HRA announced the awards for operating rights at six one-stop centers on November 1, immediately sparking controversy over the awardees and the negotiating process.) By contrast, Los Angeles established 18 full one-stop centers.

"A single one-stop in a city of eight million people is tragic," says one federal Department of Labor official. "The city has not put an effective system together in the five boroughs...there's no system in place to respond rapidly to crisis issues."

Like almost any policy issue, workforce development tends to languish unless political leaders send the signal that it's a priority. While past and present mayors elsewhere like Thomas Menino in Boston and Paul Schell in Seattle have emphasized

the importance of job training, Mayor Giuliani has ignored New York City's workforce system. Experts in the field cannot remember the mayor ever speaking publicly on the importance of a skilled

