



# **BUILDING THE WORKFORCE OF THE FUTURE**

An in-depth, independent report on the first eighteen months of Career Pathways,  
New York City's sweeping new strategy for workforce development.

## BUILDING THE WORKFORCE OF THE FUTURE.

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# Center *for an* Urban Future

## CENTER FOR AN URBAN FUTURE

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# BUILDING THE WORKFORCE OF THE FUTURE

**In November 2014, Mayor de Blasio launched a sweeping new approach to workforce** development in New York City. Unlike the previous model, which prioritized connecting workers with available jobs as quickly as possible, the administration's new Career Pathways framework focuses on helping jobseekers and workers to build the skills required to be more competitive in the labor force. Drawing from a broad range of stakeholders—including employers, providers of workforce services, and government officials, as well as representatives from labor unions, educational institutions, and private philanthropy—Career Pathways emphasizes training and education for workers and jobseekers, deeper connections with the city's employers, and a commitment to improving working conditions for the city's lower-wage workers.

Refocusing the workforce development system could not have happened soon enough. The rapidly transforming labor market of the twenty-first century is making obsolete traditional ways of training and educating. Whereas a high school or college education supplemented by on-the-job training was once enough to ensure that workers were ready to perform their jobs well, today's labor market demands that workers constantly upgrade their skills and learn new ones in order to remain competitive. Skills and credentials are the currency of the modern economy, and workers who lack them stand little chance of securing employment that assures them a decent living. Employers, too, choose to locate and grow where they have access to a talented labor pool, making a strong workforce development system an essential component of a comprehensive economic development strategy for New York City.

Now, more than a year and a half after the rollout, Career Pathways shows significant promise to reform and overhaul the way that the city funds, provides, and measures the success of skills-building programs. But what specifically has been accomplished so far, what challenges remain, and what additional steps should be taken in the months ahead by city officials, philanthropy, workforce providers, and employers to realize the ambitious vision set forth by Career Pathways?

This report aims to provide an independent assessment of the progress made since the launch of Career Pathways. Based on interviews with more than 30 workforce development experts, the study details where the administration's new approach to workforce development has achieved success or taken important steps forward, where it has stalled, and what challenges have limited the new system's effectiveness. The study also includes a series of recommendations to bolster Career Pathways.

## Accomplishments of Career Pathways

### **Career Pathways presents a significant departure from a system that incentivized rapid job placement over career success and advancement.**

The new framework and vision has focused New York City's workforce development community on the value of training, basic skills, job quality, and meaningful buy-in from employers. Given an increase in funding and capacity, this shift in approach is leading service providers and city agencies to place greater emphasis on long-term career success. Moreover, a unified vision allows the city to build a system with its investments, rather than limiting support to individual interventions. Almost all interviewees stated that this strategic shift is the city's most significant accomplishment under Career Pathways so far, representing a long-awaited change in a system that has been plagued with inefficiency. "One of the most valuable contributions of the Career Pathways framework is that it gave official permission, for the first time in a long time, to think about making serious investments in human capital," says Suri Duitch, former university dean for continuing education at CUNY. "It's a huge contribution. People who work in city government and fund these programs are being told 'this is a good thing, advancement is a good thing, you should invest in it, you should figure out how to do it most effectively.'" The Workforce Professionals Training Institute, the major training organization for workforce providers, has been seeing an increase in demand from provider organizations for training programs in curriculum development and for working with employers, two areas where increased capacity is crucial to the success of the framework.

### **The de Blasio administration has increased its investment in the workforce development system and shifted more resources toward training and education.**

The city has increased its annual spending on workforce services from \$500.4 million in FY 2014 to \$606.7 million in FY 2016 by investing additional funds from city tax levy, City Council, and private sources, as well as recategorizing existing funds. The

de Blasio administration has set a goal of increasing the share of workforce dollars that support training programs from roughly 6 percent to 20 percent. This amounts to a goal of \$100 million per year spent on occupational and entrepreneurship training programs by 2020.<sup>1</sup> The importance of this investment in education and training is impossible to overstate, especially given that today's job market requires workers to build skills and gain credentials in order to be competitive. Since Career Pathways was launched, funding for employment services, which includes job-placement services, has decreased from 41 percent of workforce spending in fiscal year (FY) 2014 to 32 percent in FY 2016, dipping from \$204.6 million to \$192.7 million. Meanwhile, the city has increased its investment in occupational training programs by 41 percent, from \$28.7 million in FY 2014 to \$48.6 million in FY 2016. Funding for entrepreneurship training has increased from just \$100,000 in FY 2014 to \$5.7 million today. These investments have raised the share of workforce development dollars dedicated to occupational and entrepreneurship training programs by three percentage points, currently accounting for 9 percent of workforce development funding.

### **Industry Partnerships serves as the city's first workforce development strategy to consistently engage employers.**

For years, the workforce development system struggled to engage employers, hampering the ability of many workforce providers to place their clients in appropriate jobs. Under the former model, providers were solely responsible for establishing relationships with employers and matching clients to jobs, leading to uneven outcomes in moving beyond placement to promote career advancement. To address this problem, the city is developing six Industry Partnerships in growing sectors: healthcare, tech, retail, food service, manufacturing, and construction. The partnerships convene industry leaders, workforce development organizations, trade groups, labor unions, educational institutions, philanthropies, and city agencies to uncover the barriers to entry and advancement in specific industries, identify the skills and credentials that employers require, and find ways to improve the quality of jobs in these industries.

Workforce development experts agree on the importance of tailoring workforce development programs to meet the needs of industries with the greatest potential to create career-track opportunities for New Yorkers with fewer skills and lower income. “The city has come a very long way to organize itself around key economic sectors,” says Angie Kamath, national executive director of social ventures and innovation at Per Scholas. “And to do so not just in piecemeal support of training programs or job placement efforts, but really organizing around understanding employment needs. There certainly are some cities that I think are ahead of us in that regard but I think the majority are probably looking at us as a real leader.”

Providers say that the benefit of these Industry Partnerships is a systematic feedback loop, which is much more efficient than relying on individual organizations to build and maintain employer relationships one by one. The city intends for these partnerships to inform enhanced curricula at community colleges and other training organizations, improve bridge programs, and shape policies that increase access to jobs in growing industries. The New York City Department of Small Business Services (SBS) has adopted and supported the city’s Industry Partnerships in healthcare and tech, in partnership with the New York City Workforce Funders: the New York Alliance for Careers in Healthcare (NYACH) and the Tech Talent Pipeline. The agency recently hired directors for the food service and accommodation, manufacturing, and construction partnerships, and is working on launching the partnership in retail. Both NYACH and the Tech Talent Pipeline have convened employers, developed assessments of employer needs, and collaborated with CUNY and other stakeholders to develop training programs and curricula.

**For the first time, the city is investing in bridge programs, which provide remedial training so that especially skills-deficient workers can access the workforce development system.**

The de Blasio administration has committed to spending \$60 million per year by 2020 on bridge programs that boost the skills of people whose current abilities are too low to qualify for job training programs, and has allocated \$6.4 million so far. The administration’s embrace of bridge programs is important given that

bridge programs provide a crucial on-ramp to Career Pathways for the most skills-deficient workers, especially immigrant workers with limited English proficiency. These workers are otherwise excluded from most workforce development programs, which typically require participants to have demonstrated at least an eighth-grade reading level. NYACH has worked with 1199SEIU Training and Employment Funds, Center for Economic Opportunity (CEO), and employers to develop bridge programs that connect to healthcare training opportunities. In addition, CEO and CUNY collaborated on a professional development course on bridge programming. To support this work, the city has set up the online NYC Bridge Bank to provide free examples of complete curricula and other resources. Given that bridge programming is a new area of investment for the city, these resources are crucial for enabling providers to develop bridge programs.

**Career Pathways increases efficiency by mandating increased cooperation among city agencies and coordinating workforce development efforts.**

Major workforce development funding is controlled by three city agencies, alongside fifteen other agencies and organizations with less funding. Mayor de Blasio established the Mayor’s Office of Workforce Development (WKDEV) to coordinate the workforce system. Though WKDEV has little funding of its own, and funding and contracting for workforce services is still under the control of various city agencies, the office has worked to align the efforts of all of the city’s workforce agencies, as well as keep them accountable to the aims of Career Pathways. WKDEV is also home to the Workforce Development Board—formerly the Workforce Investment Board—which serves as the regulatory body overseeing federal funding under the Workforce Innovation and Opportunity Act (WIOA) in each Workforce Investment Area. WKDEV also houses the Center for Youth Employment, a newly established entity that coordinates workforce programming for youth and young adults across all city workforce agencies, and has worked with the Department of Youth and Community Development (DYCD) to engage employers in youth programming and expand resources for youth employment. WKDEV’s efforts have brought the city’s

workforce agencies in closer contact than ever before and boosted links with private philanthropy.

WKDEV has also established the first set of common metrics used to measure the performance of all workforce development programs. WKDEV is coordinating data sources and indicators across city agencies and securing access to outside data sources, such as the federal Unemployment Insurance Wage Record System. The new set of common metrics includes, for the first time, measures of wage growth and job continuity, which are necessary to determine whether workforce programs are actually helping participants make progress toward financial self-sufficiency. These new universal standards also aim to align the assessment of public programs with the more robust standards used by private funders to evaluate the programs they support.

**Career Pathways has created a stronger role for CUNY in the city’s workforce development system.**

CUNY created a task force that addresses many of Career Pathways’ goals, such as devising education and training initiatives with stackable credentials and developing protocols for evaluating and crediting prior learning. In addition, CUNY is working with NYACH to identify the gaps between its health education programs and the skills and competencies that employers are looking for in workers, and the university system is now in the process of revising eight healthcare education curricula to reflect what it has learned. If successful, these efforts will make new training resources available to New York City workers while improving the employment outcomes of CUNY graduates.

The de Blasio administration greatly increased the city’s investment in CUNY’s Accelerated Study in Associate Programs (ASAP) from \$8.5 million in FY 2004 to \$25.7 million in FY 2016. ASAP boasts some of the strongest college persistence and completion outcomes in the nation by furnishing participating students with many tried-and-tested practices for ensuring success, including free tuition and textbooks, block scheduling, and college, employment, and social services advisement. A recent evaluation by MDRC found that ASAP doubled participants’ three-year graduation rates compared to similarly situated students who did not participate

in ASAP. The city’s investment will allow it to scale up from serving 4,000 to 25,000 students per year over the next four years. In addition, the city is planning to make Bronx Community College an all-ASAP school.

**The Human Resources Administration (HRA) is undertaking a promising overhaul of its workforce programs, replacing a punitive model focused on rapid attachment to the labor force with a one based on individualized assessment, specialized services for younger workers, and greater access to training and education.**

The agency has released three requests for proposals (RFPs) that spell out how HRA plans to align to the Career Pathways model, creating three programs—CareerAdvance, CareerCompass, and YouthPathways—to replace the former Back to Work and Work Experience Programs. The former programs focused almost exclusively on matching Temporary Assistance for Needy Families (TANF) clients with jobs that were often poorly paid and unaligned with individual career goals, did not distinguish among youth and adults, and made special consideration only for clients with physical or mental challenges. Before Commissioner Steven Banks began his reforms, HRA had very narrow definitions of what constituted work activities, which did not allow adult TANF clients to count more than a year of education as a work activity and forced students to take an unpaid Work Experience Program placement that was often unrelated to their interests. Former HRA policy also made heavy use of punitive measures and sanctions to coerce compliance, which resulted in large numbers of clients losing benefits and having to begin the benefits application process anew.

The new programs require a more extensive and holistic needs assessment for every client, designed to allow program staff to refer clients to the employment, bridge, training, and education programs that can best serve their needs. This is the first time that the agency has embarked on a separate engagement strategy for young adults, which includes hiring a youth coordinator to manage youth programming and contracting for a separate program for clients ages 18 to 24. HRA has also collaborated with private philanthropy to offer capacity-building training sessions for organizations

interested in responding to the RFPs. Overall, the workforce experts we interviewed were excited about HRA's significant transformation of its program structures and believe that, under the leadership of Commissioner Banks, HRA has gone from being the agency with the most antiquated and ineffective workforce programs to being the city's leader in developing the next generation of programs.

**DYCD has crafted programs that respond to previous provider criticisms and work within federal and state regulations, while aligning their programs with the Career Pathways framework.**

Workforce experts we interviewed for this report commend DYCD for issuing RFPs for programs that expand access to skill building through education and training and offer both work-first and training-first service options that allow providers to serve both young people who want to be connected directly to jobs and those who want to continue their educations. Overall, the providers and workforce experts we interviewed agreed that although DYCD's new programs are not as radical a departure from previous programming as those produced by HRA, they are also more realistic in their per-participant cost reimbursement and service level expectations, which can ensure broad participation by youth providers with successful track records.

**The de Blasio administration has secured significant investments in youth workforce programs, from the creation of the Center for Youth Employment to new funding for subsidized employment programs for youth.**

Shortly after Career Pathways was launched, WKDEV established the Center for Youth Employment (CYE) with private funding. CYE's role is to coordinate workforce services for youth and young adults across agencies. As a result of CYE's focused efforts, enrollment and funding for all DYCD youth employment programs has risen dramatically: enrollment in the Summer Youth Employment Program rose from 35,957 in FY 2014 to 54,263 in FY 2016 and enrollment in the DYCD's celebrated internship and job skills training program Ladders for Leaders increased from 475 to 1,035 participants. The FY 2017

budget deepens that commitment, baselining enough funds to serve 60,000 young people every summer. In addition, the city secured 754 new private sector work sites from the 2,949 employers participating in the Summer Youth Employment Program (SYEP) this year, and the City Council contributed \$12 million toward the Work, Learn & Grow program that provides year-round SYEP for 4,000 in-school youth. Career Pathways had set a goal for CYE to increase to 100,000 the number of job, internship, and mentorship opportunities available annually to New York City youth every year. The city reports that it has reached 78 percent of that goal, mostly through the increase in SYEP placements.

**City agencies and WKDEV are working more closely with private philanthropy than ever before.**

The New York City Workforce Funders, a group of more than 75 funders focused on workforce development issues, has expanded its investment in workforce services. An annual survey of members shows that giving has grown from \$18.4 million in 2004 to \$71.6 million in 2015. That money largely funds non-profit workforce development programs directly, but the Workforce Funders have also expanded cooperation with city agencies. Before Career Pathways, only SBS had a significant relationship with private philanthropy; under Career Pathways, the Workforce Funders have worked with HRA to help inform their RFPs and fund a series of capacity-building sessions for potential applicants, and have expanded their relationship with SBS to support the current and emerging Industry Partnerships.

**The city has taken steps to address job quality, recognizing that the city's workforce agencies have traditionally placed large numbers of clients into low-wage jobs with little opportunity for advancement.**

For instance, in order to support the de Blasio administration's focus on job quality and assist employers who offer living-wage jobs, SBS' Workforce1 centers will only provide free recruitment services to employers who offer jobs paying at least \$13.40 an hour, are opening new locations, or guarantee full-time employment. The immediate effect of this policy change has

been a 36 percent decrease in the number of placements through Workforce1 centers between FY 2014 and FY 2016, which city officials say is an expected consequence of the increase in quality standards. This sharp decline demonstrates the urgent need to bring more exemplary employers into the workforce development system, while working with current employers to bolster the quality of the jobs on offer.

WKDEV is identifying and recognizing employers who treat workers well. The Best for NYC program provides access to SBS resources for New York City-based employers that complete a comprehensive assessment developed by B Lab, a globally recognized nonprofit that certifies businesses as benefit corporations. B Lab defines benefit corporations as having a triple bottom line that includes “people, profits, and planet,” providing benefits to shareholders while following best practices regarding environmental impact and employee well-being. Criteria related to employment practices include a commitment to diversity, above-average compensation and benefits, and opportunities for training and advancement. The Best for NYC program provides a formal mechanism for the city to encourage employers to adopt exemplary worker-friendly employment practices by starting with the results of the B Lab assessment. Interviewees say that this tool will allow employers to see where they stand compared to their peers and encourage more businesses to adopt worker-friendly best practices. Although there have not yet been any measurable outcomes as a result of this program, the city’s partnership with B Lab is a promising step toward improving the quality of jobs offered through the workforce development system.

**Career Pathways’ Hire NYC program is attempting to leverage the city’s procurement and economic development activity to provide opportunities for workforce clients.**

The city responded to calls from the workforce development community to tie its economic development work more closely to its investments in the workforce. Under Career Pathways, WKDEV has created or expanded four programs that together comprise the Hire NYC initiative, which requires employers with city contracts or working on city-subsidized development projects to register with

the city and post all available entry- and mid-level jobs. So far, the city has launched an online platform where employers register and post their jobs, allowing Workforce1 centers to refer clients to them.

All goods and services providers with city contracts are required to register for Hire NYC, and companies soliciting contracts above \$1 million are required to consider workforce system clients for open positions, although they are not required to hire them. Similar programs have been attempted in other states, such as California and Colorado, with mixed results. The success of these programs hinges on the willingness of participating employers to commit to hiring locally, given that cities are legally barred from mandating who is hired and can only make suggestions.

The city also expanded the number of agencies that are subject to the Public Assistance Hiring Commitment Rider, which requires human services providers to hire one cash assistance recipient for every \$250,000 in cumulative contract value at a pay rate of at least 20 percent above the federal minimum wage for at least one year. Organizations holding contracts from HRA, the Department of Homeless Services, and the Administration for Children’s Services have already been subject to the requirement, but Career Pathways will expand this to DYCD, Department for the Aging, and Department of Health and Mental Hygiene contracts.

The city has also established a special program for Hurricane Sandy recovery contracts that requires vendors holding construction contracts from the Department of Design and Construction valued above \$300,000 to consider Workforce1 applicants. Finally, the city expanded an existing Economic Development Corporation (EDC) program that requires contractors holding EDC contracts of over \$1 million and Department of Housing Preservation and Development contracts of over \$2 million to consider Workforce1 candidates. Subcontractors with contracts of over \$500,000 are also required to consider Workforce1 applicants.

The programs took effect on January 1, 2016, and the city is still in the process of signing up employers. No outcomes information is yet available, but the city deserves credit for encouraging recipients of city contracts to consider applicants from the workforce development system.

## Challenges of Career Pathways

**Despite increased investments from both public agencies and private philanthropy, there is still not enough permanent funding in the workforce development system to realize the city’s ambitious plan to move away from simple job placement and toward education and training.**

Education and training programs are significantly more intensive, and therefore more expensive, than the job placement programs that preceded Career Pathways. It will be difficult for the city to create contracts with reasonable higher-touch service plans for the tens of thousands of workers and jobseekers it serves every year through its workforce development infrastructure. The most innovative and effective bridge and skills-building programs tend to be funded at least in part through private philanthropic dollars and to operate on a limited scale. Public investment is hampered at the federal level by restrictions and rules imposed by funding sources, and at the local level by a limited understanding on the part of city agencies of the needs of community-based organizations and the cost structures of the programs they run.

HRA faces the greatest obstacles to offering the higher quality of service that Career Pathways envisions, because it is legally required to serve all welfare recipients under TANF. The agency’s recent RFPs offered very little funding relative to the high service levels the agency requested. The coming months will test HRA’s ability to work with potential providers and create contracts that strike the right balance between the available funding and the quality of services that can be provided. The agency may have to allocate more funds toward its signature workforce programs in order to achieve higher outcomes, or settle for fewer clients receiving Career Pathways-quality services.

**The city has not invested enough in building the capacity of provider organizations to deliver the services that Career Pathways requires.**

Career Pathways requires organizations to provide higher-touch services than many organizations have offered to date, including assessing the full spectrum of client needs, providing longer-term career counselling and coordinated services through case management

and referrals, running sector-based training and bridge programs, cultivating relationships with employers, and collecting and using more sophisticated outcomes data. Yet, few workforce organizations and agencies have the experience and capacity to deliver these services. Part of the problem is that workforce programs funded by the city prior to Career Pathways were more focused on lighter-touch employment and placement services that do not demand the higher levels of funding and front line staff capacity of the new programs. Much of the investment in capacity building to date has focused on improving program outcomes if providers fall out of compliance with the requirements of city contracts. There has been almost no public investment in professional development in the workforce field. The workforce experts to whom we spoke consistently cited this as the second-biggest implementation challenge for Career Pathways, after the lack of funding.

**The city has not offered guidance or resources that providers can use to create the sophisticated system of referrals and partnerships that Career Pathways will require.**

Career Pathways depends on a network of services that link seamlessly and build on one another to help individual workers advance in their careers, ranging from bridge programs, to training and education courses, to job placement services. Few organizations have the capacity to provide all of these services, thereby requiring most providers to refer clients elsewhere. This can lead to complications. First, given that not all educational and training pathways are available and readily accessible across all industries, clients may find that there is no path from where they are to where they wish to go. Second, research shows that when clients are made to bounce around from organization to organization in search of services, it increases the probability that they will drop out of the system. Third, performance-based contracts have traditionally been pegged to individual organizations, making it difficult to give credit to partnerships or consortia of organizations that cooperate to produce results for individual jobseekers. In addition, public funding rules do not allow a single jobseeker to be enrolled simultaneously in more than one program funded by a single funding stream.

Because of these restrictions, creating partnerships with public funds can be very difficult. For example, one of the most successful workforce development partnerships in New York City today is the Career Access Network Program, a partnership between The Door and Per Scholas. The Door provides a bridge program for young people who are not able to meet the skills and academic requirements to be admitted into Per Scholas' tech training programs. For Career Pathways to succeed, the city will need to foster these sorts of programs. The Career Access Network Program partnership was built by trial and error over two years, supported by private funding that has allowed the program to experiment with what works. Current public funding, based on annual performance targets, is not flexible enough to allow for such an iterative approach to improving and shaping effective programs; in fact, such contracts do not provide any funding for experimentation and strategic planning among service providers.

**Although the Career Pathways model presents a strong blueprint for the city's public workforce development services, it does not articulate how the model will be applied to populations with special needs.**

The de Blasio administration's reorientation of its workforce development system holds great promise to improve labor market outcomes for some of the city's most disadvantaged jobseekers, but many providers say that, in order to be effective, new programs should be tailored to groups such as youth, formerly incarcerated people, and immigrants. These groups contain some of the least-skilled jobseekers in the city, making investments in bridge and career exploration programming critical for putting them on the path to success.

Unfortunately, few of the organizations that specialize in working with these populations have the capacity to deliver Career Pathways services, and those with successful programs operate at a relatively small scale, largely supported by private philanthropic funds. Providers say that many of their clients do not yet have the skills to take advantage of sector-based programs, and need more generalized basic education and career exploration programming before they can be directed to sector-based training. In addition, some providers

have reported that one unintended consequence of the new job quality standards at Workforce1 centers is a narrowing of opportunities for people who have been incarcerated. Many employers who were open to employing such jobseekers have opted not to meet the city's new job quality standard, and thus no longer make their jobs available through the city's system.

**The city has not articulated how the Career Pathways framework will serve immigrants.**

Immigrants comprise 37 percent of the city's population, but make up 47 percent of the workforce.<sup>2</sup> In addition, 1.7 million New Yorkers speak English less than very well. Immigrants comprise majorities of entry-level workers in almost all of the six industry sectors the city has chosen to focus on: 77 percent of construction laborers are foreign-born, as are 76 percent of food preparation workers and home health aides, 92 percent of sewing machine operators, and 56 percent of cashiers. Many of these workers have limited English proficiency: 65 percent of food preparation workers, 61 percent of construction laborers, and 86 percent of sewing machine operators speak English less than very well. Yet the Career Pathways report explicitly states that the framework "does not propose customized solutions for specific populations, such as immigrants." Because immigrants are the vast majority of the entry-level workforce, establishing career pathways in these industries requires that Industry Partnerships focus specifically on the barriers that immigrants face in entering and advancing in their fields.

**The administration created WKDEV to serve as the central coordinating body for the city's workforce development system, but gave it very limited power to make program development and funding decisions, thus undermining its effectiveness.**

Control over funding and programmatic decisions made with public workforce development funds continues to rest exclusively with the workforce agencies themselves, with WKDEV limited to an advisory role. Although city officials point out that WKDEV has been an important convener of the city's workforce agencies, spurring agencies to collaborate more than ever to realize the Career Pathways vision, WKDEV lacks a

strong role in the process of creating programs. This limits WKDEV's ability to push for decisions that can build the system as a whole, rather than only supporting the programs run by individual agencies. For example, some providers have wondered why HRA did not use TANF funds to leverage DYCD's existing infrastructure serving out-of-school youth, instead of creating an entirely different infrastructure with YouthPathways.

Although there is disagreement as to how much control WKDEV could or should have over public workforce dollars, many agree that the agency needs more authority and funding and a mandated role at the table to provide coordination and strategic planning, as well as the ability to collaborate with other agencies to pilot programs. Without a mandated role in the process, WKDEV's role is unlikely to carry as much weight as those of the workforce agencies that control the purse strings.

**The city has not done enough to engage the Department of Education in creating onramps to career pathways for young people.**

Most of the work around Career Pathways so far has been to organize the city's investments in its workforce system, but less attention has been paid to the essential role of public schools in career pathways. The public schools have traditionally been poorly connected to the workforce system, with the exception of the Career and Technical Education (CTE) schools. While Recommendation 5 of Career Pathways prompts the DOE to work more closely with WKDEV and the workforce agencies, this work has not yet begun.

In particular, providers who work with youth and young adults have strongly voiced their concern that Career Pathways' current emphasis on tracking workers through sector-specific training may not be appropriate for young people, who instead need career exploration opportunities and more general vocational training that imparts skills that can be carried into any sector. Career exploration should begin in the public schools and in pre-bridge career exploration programs to reach youth who are out of school. While many young adults will certainly benefit from sector-specific bridge and training programs, many others have not yet decided what sector they would like to pursue. In addition, occupational training programs and contextualized and integrated

bridge programs cost more to run on a per-capita basis, so these should be focused on workers and jobseekers who are certain to be pursuing a career path in a particular industry sector, not on people who should still be exploring their options.

**Data systems are not yet able to create accountability and offer feedback across providers and agencies.**

WKDEV has developed a set of common metrics for measuring the performance of workforce development programs, but the data systems that agencies use for compliance and measurement purposes have a long way to go before they are able to produce data and results that can be compared across programs. Specific metrics, such as "number of clients placed into jobs," often have different definitions based on the city agency that requests the information. As a result, it is nearly impossible to compare programs to one another across city agencies and to determine the cumulative effect of the workforce system on its clients.

WKDEV is currently working with individual agencies to catalog all of their outcome measures, compare their definitions, and determine which measures are relevant to each workforce program. The next step would be to create a common data collection and analysis dashboard and ensure its adoption by all of the city's workforce agencies. Each agency has different reporting requirements based on their funding sources, and operate under different privacy rules, making it challenging to combine data analysis systems. However, developing data systems that operate on a common set of outcomes metrics and milestones is crucial if the workforce system is to evaluate the outcomes of the referral networks and partnerships that Career Pathways envisions.

**Although Career Pathways has created roles for workforce stakeholders, it has yet to articulate a clear and seamless client interface.**

In its first year, Career Pathways has established definitions and started to allocate funding for bridge and training programs, and launched Industry Partnerships that define roles for stakeholders in the workforce community. But little in the plan articulates how the sum total of programs and investments

that comprise the city's workforce development infrastructure actually creates specific career pathways for jobseekers. One of the drawbacks of the current workforce development infrastructure is that the average New Yorker has no clear way of navigating among the myriad workforce providers to find the services they need. Training and education programs offered by providers ranging from nonprofits to CUNY will have to track career pathways in the chosen industry sectors. These paths will have to be understandable and accessible to workers and jobseekers in order to be useful.

**The most vulnerable jobseekers and workers are not necessarily being reached by current programs.**

Residents in large areas of the city that are home to many lower-income workers and jobseekers—from outer Queens, to Canarsie and Brownsville in Brooklyn, to the North Shore of Staten Island—have access to few, if any, workforce services in their neighborhoods. Although the de Blasio administration is right to focus on the big picture strategy of coordinating its workforce assets and investments, this approach should not lose sight of the fact that jobseekers begin looking for services in the neighborhoods where they live or work. This is especially true for lower-income people, immigrants, and young people. Even if comprehensive services cannot be provided in these high-need areas due to resource constraints, portals identifying where to go to take initial steps should be readily available via partnerships with local organizations.

**SBS has not been transparent regarding its strategic plan for Workforce1 Centers or the Industry Partnerships, two of its biggest contributions to Career Pathways.**

Of the three major workforce development agencies, only SBS has so far neglected to solicit feedback from the public regarding its plans. The agency has not released concept papers in advance of its forthcoming RFPs for the Workforce1 Centers, nor hosted public discussions around the strategic approaches that SBS envisions for the six Industry Partnerships. SBS has traditionally been among the city's strongest entities in the city developing workforce policy and running programs; however, despite its demonstrated capacity,

these highly complex initiatives benefit from the input of experts, stakeholders, and elected officials.

**Few of the most successful programs and approaches are able to scale up.**

The workforce development programs with the strongest outcomes in the city have been built on providing training and education services paired with general work readiness and wraparound services including counseling, academic advising, and financial empowerment. These successful models have been funded largely with private philanthropic funds, and spend considerably more per participant than programs that are mostly funded through public dollars. Even as philanthropic funders seek to help providers create innovative programs, their emphasis on quality over quantity means that few people are served relative to the enormous demand. Government is a large source of funding, but because the allowed uses of public funds are highly circumscribed and often inflexible, providers with the most innovative programs often cannot turn to public contracts to scale up their work. As a result, many do not end up growing their most successful programs.

But scaling up individual programs is not the only way to serve more people with higher-quality programs, nor is it always the best way. Not all organizations are looking to serve many more people through their programs; the city should instead structure its funding streams to encourage and support effective approaches that leverage the system as a whole. Funding partnerships and collaborations among provider organizations to serve clients along a Career Pathways service continuum is one important way to scale up work at the systems level. However, current public funding is insufficient to operate programs for large numbers of people with sufficient quality, and many workforce experts say that supporting the research and development of new programs and the creation of referral networks and partnerships cannot be done with restrictive public funding, necessitating more flexible funding from the city. As an example of how such collaborations can be developed, the city should look to Jobs First NYC's Young Adult Sectoral Employment Program, a consortium model for serving youth that is funded with private dollars.

# ASSESSING THE GOALS OF CAREER PATHWAYS

**At the heart of the city's Career Pathways strategy** is a dual-client approach designed to connect employers to skilled workers and workers to in-demand skills. The city intends to achieve those outcomes by making considerable investments in cohesive and stackable training and basic education programs, building a more nuanced understanding of the career pathways that exist in growth industries, and developing the ability of providers to serve particularly disadvantaged populations such as immigrants, people with low literacy skills, displaced workers, and young adults. In addition, the framework calls for the workforce system to engage employers in improving the quality of entry-level jobs. Finally, Career Pathways encourages the city's workforce agencies to coordinate their work in order to avoid duplicating effort and investment, and to leverage the capacities of workforce stakeholders like CUNY and the Department of Education (DOE).

To those ends, the city has succeeded in expanding industry partnerships in the healthcare and technology sectors that allow the workforce system to be more responsive to the needs of employers in those industries; established new ones in construction, food service and accommodation, and manufacturing; started investing in bridge programs that connect workers with the lowest skill levels to education and training; started to engage CUNY's considerable education and training resources in the workforce development system; released RFPs for workforce services targeted at cash assistance and youth populations; established a job quality floor for positions offered through the Workforce1 Centers; expanded Best for NYC, a program to identify and recognize employers with good worker practices; started the Hire NYC program to encourage more jobs created in the city to be filled by clients of the city's workforce system; and created a set of common metrics that are being rolled out across all of the city's workforce agencies so that their outcomes

can be accurately measured and compared. This section of the report will go into greater detail about each of these core areas of Career Pathways, presenting both our analysis and impressions from New York City's workforce development community.

## **Building Industry Partnerships**

The Industry Partnerships initiative is at the heart of Career Pathways, gathering knowledge that will shape programs and interventions across the workforce system. At the core of each partnership is a Partners Council comprised of employers, trade associations, labor unions, CUNY, and other stakeholders that work with workforce and education professionals to develop ideas and strategies. For instance, NYACH is working with major players in the healthcare industry to help inform updated curricula for CUNY, create internship programs, and keep abreast of how changes in healthcare policy are likely to affect demand for particular skills. The Tech Talent Pipeline has gathered several existing training and work experience programs in the tech field under one umbrella, serving as a launching pad for new initiatives such as the city's Computer Science for All program. NYACH reports that it has connected 1,000 people over the past five years to jobs or promotions in the field after going through these trainings, while the Tech Talent Pipeline takes credit for connecting 250 people to jobs and internships.<sup>3</sup>

Whereas the responsibility for engaging employers once rested almost exclusively with providers, the city is now for the first time making a strategic investment in connecting with a broad range of industries in order to inform the priorities of the whole workforce system. "If we knew in a timely and accurate way what the pathways in each sector looked like, we would know what employers need, and we would design curriculum on how these different skills map onto a career progression," explains Chauncy Lennon, the managing

“The city’s enthusiasm to do this work is admirable. There are very few cities around the country where the mayor is investing in this approach.”

director and head of workforce initiatives at the Global Philanthropy division of JPMorgan Chase, a major investor in the Industry Partnerships. “We wouldn’t spend so much time on getting each employer to tell us the same story, and we can free employers to be the consumers of the labor supply pipeline.” An effective approach requires employers to think critically about how people enter and advance in their industries. The Industry Partnerships initiative is still in the beginning stages of this process.

While many workforce experts applaud SBS for developing a strategy to work directly with employers at the sector level, some also raise questions about the partnerships’ viability and effectiveness. One of the most contentious questions is whether Industry Partnerships belong inside the city’s administration, or whether the initiative should have been organized as independent nonprofit intermediaries. Jackie Mallon, first deputy commissioner at SBS, says that “the feedback we’ve gotten from employers is that launching the Industry Partnerships in a city agency allows businesses to have a central point of contact that truly understands the many ways they can work with the city.” Sara Schlossberg, the executive director of workforce development policy and planning at SBS, adds that another advantage of housing the partnerships in the city is that it allows the partnerships to align funding with priorities, using the city’s resources to pursue its agenda. For example, NYACH focuses on curriculum development, which supports SBS’ investments in training.

Proponents of the latter approach argue that independent organizations could better leverage each industry’s existing expertise and efforts and avoid adding layers of bureaucracy. They further argue that placing the Industry Partnerships within the city can expose

them to the vagaries of political whims if a future mayoral administration does not support a sector-based workforce development framework. In addition, workforce experts fear that SBS could monopolize control over the kinds of investments that result from the partnerships. Fred Dedrick, the head of the National Fund for Workforce Solutions, believes that the partnerships should be independent, but commends the city for taking on the work. “Ideally it would be great to have an independent intermediary responsible for investing because it becomes something that can last between administrations, and it isn’t contingent or dependent upon the possibility that a new mayor could come and decide to take a whole different approach,” he says. “But I think that the enthusiasm of the city to do this work is admirable and should be respected very highly. There are very few cities around the country where the mayor is investing in this approach.”

Regardless of where the Industry Partnerships exist within the framework, each faces unique challenges in helping the workforce system respond to employer needs, while identifying and surmounting the barriers that job-seekers and workers face in entering and advancing in the industry sectors. Although the basic structure of all Industry Partnerships is likely to be similar, featuring a core group of stakeholders tasked with maintaining two-way communication between workforce development providers and prospective employers, each partnership will likely have a different central focus. For example, many providers and experts say that the Industry Partnerships in manufacturing and construction will have to focus on building clear paths to upward mobility in those fields, and the retail and food service partnerships will need to primarily address job quality to improve prospects for workers in those entry-level jobs.

## Investing in bridge programs

Low-skilled workers lack a single source for both basic skills-building in reading, writing, and math, and practical job skills in a particular field. As a result, participants in English for speakers of other language (ESOL) or adult basic education programs are graduating with language and computational skills but few job skills, while the lowest-skill participants of training programs often struggle with basic literacy and math. The city is addressing that problem by making their first investments in bridge programs, which are designed to provide workers with very limited skills or English proficiency with the supplemental education they need to take advantage of the city's investments in training programs. The scale of the need is great: there are 1.7 million New Yorkers with limited English proficiency and thousands more with basic skills needs. This initial investment is a major step toward implementing the city's ambitious strategy for workforce development.

Bridge programs are a crucial on-ramp to Career Pathways for people with very low skills, because they make the workforce system's services accessible to the most disadvantaged people. The city is targeting two types of bridge programs for investment: contextualized and integrated. Contextualized bridge programs teach basic skills to participants through sector-specific content; an example would be a basic math class that presents students with word problems that draw examples from the healthcare field. Integrated bridge programs incorporate both basic and occupational skills training in a single class, such as an ESOL class for immigrant nurses that also teaches the skills needed to pass a nurse practitioner licensing exam. The most effective bridge programs are tailored to the needs of participants while delivering knowledge that will prepare them for the further training required to get a job in their chosen field. The city has set an investment target for these programs of \$60 million per year, and has so far found or repurposed \$6.4 million to provide bridge programming for 1,000 New Yorkers with literacy levels from fourth grade to eighth grade.<sup>4</sup> Given that the ability to read at an eighth-grade level is an enrollment requirement for most workforce training programs, this is an important first investment in

bringing more people within reach of the entrance to a career pathway.

Over the past year, the city has begun to weave bridge programming into mainstream workforce services. For instance, DYCD's Young Adult Literacy Program (YALP), is transitioning from a standard adult basic education curriculum to a bridge curriculum with funding from the Center for Economic Opportunity. The funds paid for technical assistance workshops for providers and instructors, the development of curricula, and the establishment of metrics that CEO will use to evaluate the program in 2018. HRA and DYCD have both included bridge programs in their RFPs. Although these agencies expect as few as 10 to 15 percent of participants to be referred to bridge programs, the integration of these programs with other workforce development services is an important milestone for the creation of a cohesive workforce development system.

Bridge programs are often much more expensive than regular training and education programs. Integrated bridge models require the equivalent of 1.5 to two full-time instructors per classroom; one instructor to teach occupation-specific content and another to teach ESOL. For example, LaGuardia Community College's contextualized high school equivalency program, which is nationally recognized and has been proven to produce superior results, costs about \$2,700 per person, compared to a cost of about \$1,000 per participant for a regular high-school equivalent (HSE) preparation course. But that is at the lower end of the scale. Other effective bridge programs, such as The Door's Career Access Network Program, cost about \$4,000 per person to operate, due to the multiple challenges and special needs they address.

But the costs of creating and running new bridge programs and transitioning to them from basic education or ESOL programs extend far beyond additional staff costs. Programs also need to develop or adopt curricula that reflect current skill needs in the industries they are preparing workers to enter. Also, because few providers have experience running bridge programs, staff must be trained to deliver the higher level of services. Finally, because disadvantaged populations often encounter life challenges that may interfere with their training, bridge programs must also incorporate support services.

# New York City boasts a host of bridge programs that have produced good outcomes and have even become national models. But the city struggles to scale up.

“Bridge and sector work is an area where more capacity building for the nonprofit field is needed,” says David Berman, the director of programs and evaluation at CEO. “Those strategies are powerful, but they also can be challenging to implement for groups that have not done it before. That’s why we have been investing in technical assistance.” He goes on to point out that addressing the varied needs of individuals at scale is a particularly acute problem for the workforce system in New York City. “One of the challenges is the tension between wanting to provide comprehensive, in-depth services and the scale that we deal with in New York City,” he says. “How deep can you go with individuals, given the cost and the resources available? I don’t think there is an easy solution to that.”

Although bridge programs are more expensive than regular ESOL or adult basic education programs, initial evidence of their greater effectiveness in producing work-ready graduates suggests that the higher costs are worthwhile. An MDRC evaluation of LaGuardia’s HSE bridge program found that participants were much more likely than people who went through standard HSE preparation programs to have completed the course, obtained their HSE, and enrolled in college. Specifically, 68 percent of students who went through LaGuardia’s bridge program completed the class, compared to 47 percent of students who went through the traditional GED Prep course. In addition, bridge students were more than twice as likely to pass the GED exam as GED Prep students, with 53 percent of bridge students passing the exam within twelve months of entering the study, compared with 22 percent of GED Prep students. Finally, bridge students were more than three times as likely to enroll in CUNY (24 percent) compared to GED Prep students (7

percent).<sup>5</sup> Roughly speaking, LaGuardia’s program is two to three times more effective in producing college-ready students compared to traditional programs, at a cost only 50 percent higher.

In fact, New York City boasts a whole host of bridge programs that have produced good outcomes and have even become national models. But the city has not yet secured the resources necessary to run publicly funded bridge programs at scale, threatening this crucial component of the Career Pathways framework. “Foundations are incredibly invested in this model, but they can’t do it alone,” says Jane Schulman, vice president for adult and continuing education at LaGuardia. “Government needs to figure out how to provide funding for models that are working.”

Bret Halverson, a staff consultant for the New York City Workforce Funders, recognizes that although foundations have provided some support for bridge programs, those programs do not receive nearly as much attention as training programs. “Private money has mostly been focused on community based training and intensive preparation programs,” he explains. “There is a real need for New York to significantly increase its support for both training and bridge programs in underserved, low-income areas of the city.” The city’s new investments into Career Pathways over the past year have been largely in training and subsidized employment. Making matters worse, the state Department of Education recently failed to approve a \$10 million budget request from the Board of Regents to support bridge programs statewide, hampering the city’s ability to expand bridge programming this fiscal year.

HRA also faces limited capacity to implement bridge programs. One of the four concept papers that the agency released last fall outlined a proposal for a

CareerBridge program, which was the agency's first foray into planning for bridge programming. However, in response to calls from several workforce experts to reduce the number of service models it was offering at once, the agency decided to weave its bridge program offerings into the other three programs. In doing so, the agency only reallocated half of the \$6 million that it had earmarked for bridge programming. HRA has not stated publicly why the full amount was not incorporated into the other programs.

Although initial investments in bridge programming have been modest, most experts in the workforce field celebrate the city's efforts. However, some youth providers emphasize that younger workers and jobseekers may be better served by pre-bridge career exploration programs, allowing young people to understand their options before pursuing a path in a specific sector. Without an opportunity to explore different possibilities for a career, many young adults will end up taking low-wage jobs in retail or food service without considering their options for advancement. "Youth development principles dictate that you should align youth development and career exploration thoughtfully and seamlessly," says Lou Miceli, the executive director of Jobs First NYC. "Young people will not embrace opportunity if they cannot envision what the future possibilities look like."

Beginning with career exploration for younger workers is also sound fiscal policy. Bridge programs are more expensive than more generalized job preparation and career exploration programs, and should be targeted at people who are most likely to persist in their chosen industry. Because younger jobseekers are less likely to have settled on a direction, major investments in specific sector training may go to waste if the young client ends up switching industries.

In addition, bridge programs may not be the most effective option for immigrants who are not literate in their native language. Many workers in this category have very little classroom experience, and so a program that involves hours of classroom instruction tends to be alienating and not conducive to learning. Meeting the needs of such low-skilled workers requires different interventions, such as providing crash courses in "survival English" that teach the basics necessary

to navigate their workplaces and advocate for their rights. The city does not currently invest in such programs, but some organizations like New Immigrant Community Empowerment are working to provide alternatives to classroom-based English language instruction through their day laborer centers, which received a \$500,000 investment from the City Council, along with other similar centers. Continuing to expand investments in interventions like these will allow the city to reach the sizeable population of low-skilled immigrants that it has long neglected.

### Aligning with CUNY

The de Blasio administration has called on CUNY to play a central role in career pathways, and is working to strengthen the alliance between CUNY's colleges and universities and other stakeholders in the workforce system. CUNY officials have worked closely with the Industry Partnerships to align their programs with market needs. With new city funding, CUNY is also scaling up its nationally recognized ASAP program, which has been successful at boosting college graduation rates by providing a package of coordinated student success supports contingent on full-time enrollment. But the university system has lagged behind in developing system-wide alternative credit policies and modernizing career counseling to accelerate the pathways for working students toward graduation, which are both crucial to ensure that CUNY becomes a full partner in the city's workforce system.

CUNY is vital to the de Blasio administration's workforce strategy, in which workforce development and higher education become service hubs within an integrated human capital network. In this network, a worker or jobseeker could more easily transition from a workforce training program or English-language course to a college career. As the nation's largest urban higher-education system, CUNY boasts formidable education and training assets: seven community colleges and nineteen senior colleges and graduate schools located in every borough, several large-scale continuing education programs, and credibility among low-income minority communities.

It will be difficult to better integrate CUNY's expansive degree-granting system, which is based on

predetermined courses of study and carefully curated class content, with the city's more loosely structured workforce system. For example, an earlier attempt by SBS to locate a healthcare sector center at a CUNY community college failed to take root, forcing the agency to relocate it. On the other hand, CUNY's notoriously low graduation rates suggest that policymakers should invest significant resources to shore up the university system's ability to train and educate the city's labor force. The six-year completion rate at CUNY community colleges is around 32 percent, and at four-year colleges around 30 percent.

The 2014 Career Pathways report envisioned several important changes for CUNY, including modernizing its career counseling offices, developing system-wide alternative credential policies, testing and scaling up innovations to improve student completion rates, working with the Department of Education to better prepare high school graduates for college success, and working with the city on other initiatives, notably industry partnerships and bridge programs. All of these changes require close cooperation with city agencies, and in some cases external funding as well.

CUNY has made its most dramatic progress on student success. Over the past several years, CUNY has implemented ASAP at several of its community colleges. Students participating in the program agree to study full-time and see an advisor regularly. In return, CUNY guarantees payment of tuition, fees, books, and transportation; provides intensive academic advising, as well as tutoring support for students with developmental needs; and makes available special linked courses and a seminar that builds college knowledge.

A rigorous study by MDRC found that ASAP almost doubled the three-year graduation rate of full-time community college students, with even better results among some cohorts. In 2015, the city invested \$42 million in a major expansion of ASAP. Over the next three years, ASAP enrollment will grow to more than 30,000 students, including all eligible students at Bronx Community College. CUNY officials are also seeking to reduce the burden of remedial education by expanding a version of the CUNY Start program focused on math, with \$1.5 million in city funds.<sup>6</sup>

CUNY is also working closely with the Industry

Partnerships. CUNY is collaborating with NYACH to develop healthcare training curricula aligned to employer needs and with the Tech Talent Pipeline to develop CUNY Tech Prep, a program that provides CUNY students with industry exposure to software development and a connection to tech jobs after graduation. In addition, CUNY is implementing a grant-funded program to manage a consortium of thirteen colleges seeking to align curricula, develop educational pathways, and create internship programs in the tech sector.

Where CUNY lags is in supporting workers' transitions to higher education. The Career Pathways report called for CUNY to establish system-wide policies on credit for prior learning and bankable credits in 2015, but this has not yet happened, although CUNY established a task force on the issue. These policies matter most to adults with experience in the workplace, and they exemplify the goals of the Career Pathways vision. A credit-for-prior-learning policy ensures that if New Yorkers have viable on-the-job training or work experience, or take a vocational course at a community-based organization, they will receive credit for their experience on entering a CUNY academic program. If a person takes that same course in continuing education at a CUNY community college, a bankable credit policy ensures that the student will receive credit toward a degree. In the absence of such a policy, many New Yorkers today must repeat material that they have already learned, wasting valuable time and money or financial aid support.

Viviana Abreu-Hernández, research and development director at the 1199 SEIU Training and Upgrading Fund, reports that CUNY's lack of infrastructure around stackable credentials and credit for prior learning makes it difficult for workers to move up in the healthcare field. "If someone has a community health worker certificate, nothing that was done at the certificate level is recognized in the community health education associate degree program, so they have to start to from scratch," she explains. "Because CUNY doesn't have a recognized and validated prior learning assessment strategy, none of the knowledge learned in the non-credit side counts for the credit side, and none of the education and training done outside of the

classroom counts. So the career pathway doesn't match the education pathway."

CUNY has begun to explore alternative credit strategies. With grant funding from the U.S. Department of Labor, CUNY launched the CareerPATH initiative in 2011 to build strong sectoral career pathways at several community colleges, focusing on the development of bankable credit programs. CareerPATH's federal funding has lapsed, but some programs continue. For example, Kingsborough Community College manages a system of bankable credits in its non-credit culinary arts, food and beverage services, and community health-worker programs.

The partnership between the Borough of Manhattan Community College (BMCC) and the nonprofit Comprehensive Development Inc. (CDI) reveals both the promise and limitations of initiatives confined to a single institution. CDI runs a medical training pre-bridge program that counts for credit towards a degree at BMCC. However, no other CUNY school recognizes the CDI training with credit toward a degree. "Programs like this one create a longer runway for success before letting [jobseekers] into bridge programs," says Michael Roberts, the executive director of CDI. "This also allows us to figure out what their barriers are before letting them in." Such non-credit programs allow potential degree candidates to explore the medical field, receive basic training, and determine whether they are ready to enter a degree program before using their limited financial aid dollars to matriculate. However, the time invested may go to waste if the student decides to attend college elsewhere.

CUNY is exploring system-wide alignment changes to serve working students more effectively. CUNY officials have established a working group to review policies around credit for prior learning, bankable credit, and related issues. A crucial consideration for the working group will be the development of flexible but uniform policies across CUNY institutions, so that working adults will know what credits they can count on regardless of where they enroll. Dutch says that the university is "trying to figure out the best approach for greatly increasing the scale at which adults are getting credit for work experience, prior training, and experience."

## Issuing contracts

In the first few months of 2016, DYCD and HRA released requests for proposals that detail the design of the programs that the agencies created to align their work with Career Pathways. This was a bellwether for Career Pathways, since it represented the first time that the concept would be applied to the way the city's workforce field does business. HRA's new employment plan and programming have been the most discussed—and most controversial—developments in the workforce field in the past year. Overall, although workforce experts celebrate HRA's significant departure from its outmoded and ineffective one-size-fits-all model, they warn that the agency's proposed programs are too ambitious in scale for the available funding. By comparison, youth workforce experts note that while DYCD made much more modest changes to their programs, they are scaled to align sensibly with the currently available funding.

HRA's three new programs—CareerAdvance, YouthPathways and CareerCompass—seek to replace the Back to Work and the Work Experience Program, which were cornerstones of the one-size-fits-all model the agency had been using to deliver services to cash assistance applicants and recipients. The public process that led to the release of these RFPs began last year, when the agency released an employment plan and four concept papers that described the three major elements of the agency's plan to reform its workforce programs.

First is to improve client assessments, so they can be tracked into the correct program. Under the previous approach, one out of every four clients who received employment assistance from the agency returned to cash assistance within a year. Second is to expand access to education and training services by making four-year college an allowable work activity and by phasing out the Work Experience Program (WEP) over the next two years, which requires cash assistance recipients to work for free for a government agency, taking time away from job search or training activities. The agency is replacing WEP with internships and work-study opportunities that are aligned to each client's course of study. Third, the agency amended the process by which clients were sanctioned

out of the process. Under the previous system, minor failings, such as being late to appointments or missing a day of work, would automatically result in the agency closing the client's case, and the client losing benefits.

These are all crucially important changes. The previous programs have long been criticized for being ineffective at putting people on a path to self-sufficiency and away from cash assistance, and the sanctions process has been criticized for being excessively punitive and serving mainly to disenfranchise economically vulnerable New Yorkers from the protections to which they are entitled. The experts interviewed for this report all hail the changes at HRA as one of the most important victories of Career Pathways. "I do really think this is a new era at HRA," says Randy Peers of Opportunities for a Better Tomorrow (OBT). "It's the first time they are coming to the table like they are part of the whole workforce system. It used to be the system was only WIA, but now HRA is at the table because they realize that if you want the cash assistance population to be self-sufficient, it's going to involve investments in their education and wraparound services. 'Work first' as a model is done, and I am very pleased."

HRA's three programs are intended to provide a framework for a client's career pathway. Clients' first interaction is with the CareerCompass program, which is designed to conduct a holistic assessment of a client's needs and help them navigate the constellation of available services. Providers will assess a clients' employability, develop a service plan, direct them to the most appropriate programs, and, if appropriate, place them in open positions. Many of the clients assessed through CareerCompass are referred to CareerAdvance, which connects clients to basic education, bridge programming, occupational training, postsecondary education, or internships. CareerAdvance can also place people who are deemed work-ready into jobs and provide job retention and advancement services for up to a year after placement. YouthPathways specifically serves clients ages 18 to 24 with services ranging from assessment to placement, retention, and advancement services. YouthPathways is an important addition to HRA, since the agency previously lacked a differentiated service path for young people. Furthermore, YouthPathways

is designed for clients to remain with the same provider throughout their engagement with the program instead of being referred out, reducing the probability that young people will drift away from the program. All three programs represent a significant change in the way HRA delivers workforce services.

For many in the workforce community, the honeymoon that began with discussion around HRA's concept papers ended when the agency released its RFPs. In her testimony before the New York City Council General Welfare Committee in March 2015, shortly after the release of the RFPs, New York City Employment and Training Coalition Executive Director Mary Ellen Clark stated that while her member organizations were optimistic about the RFPs—given the fact that HRA had solicited feedback about how to improve the concept as presented in the initial papers—the RFPs ultimately failed to deliver. "We were optimistic and our expectations high, based on the delay of several months in releasing the RFPs, that HRA was taking into account the feedback from the workforce development community and incorporating it into the RFPs," she says. "Unfortunately, the RFPs released still fall short of being fully transformational and will not fulfill this administration's Career Pathways model vision."

The workforce community's main complaint is that the agency's per-participant reimbursement rate is exceedingly low relative to the expected service levels. For example, the CareerCompass RFP expects to serve 54,925 unique individuals through ten contractors, who will collectively be awarded \$72.1 million for the work. This means that providers will have an average of just \$437 to spend on each participant. CareerAdvance provides funding for an average per-participant cost of \$931. Yet according to data collected by the New York City Employment and Training Coalition (NYCETC), the average privately funded program currently delivering similar services spends between \$1,000 and \$2,400 per participant, with some more intensive programs spending up to \$7,000. The YouthPathways programs cover an even smaller percentage of true program costs, offering just \$826 per head compared to average true costs of \$6,400 to \$8,500. HRA's funding for youth programs is significantly lower than that of DYCD. The NYCETC's data shows that DYCD funds

its signature Young Adult Internship Program (YAIP) at \$3,500 per participant and its Out of School Youth (OSY) at \$8,500 to \$10,500 per participant.

In addition, HRA's RFPs only require 10 percent of workers referred to YouthAdvance and 15 percent of those referred to CareerAdvance to be placed into education or training. This may be a reflection of the funding currently available for more intensive services, with the result that the remainder of the clients are likely to be served through the standard rapid-attachment model. Although the RFPs stipulate that 40 percent of clients are allowed to be referred to programs outside the three HRA programs, these referrals depend on the capacity of existing workforce programs, which may not be able to accommodate an influx. "They didn't have much to offer," says the executive director of a highly respected workforce provider organization, referring to the HRA contracts. "I don't think [our organization] can participate. We are an acknowledged leader, but we are getting shut out. The structure and the service levels were disappointing."

The reality is that it is too soon to tell what shape these contracts will take. While the economics of the RFPs as they are currently being offered do not work out for many providers, others are tossing their hat in the ring. Currently the RFPs require providers to serve between 4,000 and 9,000 unique individuals per contract, which rules out all but the largest workforce organizations—the same ones that have been running the Back to Work contracts—to be the lead providers. These providers will need to engage HRA in intensive negotiations over the next few months in order to develop contracts that reflect a realistic reimbursement rate for a realistic quality of service. HRA will have to seek additional sources of funding or explore alternative program models, while providers seeking to obtain one of the contracts may have to consider supplementing public funds with private dollars.

Experts offer a variety of ideas for addressing this shortfall. Some argue that the agency could have been more creative by using TANF funds to leverage other agencies' programs, or by focusing more intensive services on specific subgroups with particular needs, thereby offering a higher level of service to a smaller group of clients. Others say that the agency could have

tapped into the expertise of small- and mid-size providers by increasing the number of contracts per borough, which would have reduced the number of people that any one organization would be required to serve and allowed those smaller providers to participate. Still others advised HRA to offer just one model instead of three, and to concentrate available resources on those, or to pilot new services in one borough before rolling them out to the whole city.

In contrast, the workforce community is more enthusiastic about the higher per-participant reimbursement rates of DYCD's RFP. Workforce experts we interviewed for this report commend DYCD for crafting programs that respond to provider criticisms of past programs and work within federal and state regulations, while aligning their programs with the Career Pathways framework. Providers say that DYCD's programs expand access to skills building through education and training and offer both work-first and training-first service options that allow providers to serve both young people who want to be connected directly to jobs and those who want to continue their educations. But the tradeoff is that these programs are tiny compared to HRA's programs: for example, the agency expects to serve only 1,370 young people through its new Out of School Youth program. DYCD has the flexibility that HRA does not have to choose how many clients its programs will serve; unlike participants in HRA's programs, DYCD clients are not mandated to participate in workforce programs.

Providers who work with youth and young adults also seem generally pleased with the proposed programs, although some caution that the programs place too much emphasis on tracking young people through sector-specific training. These providers believe that their younger clients would benefit more from career exploration opportunities and job readiness training that would prepare them to enter any field. Others bemoaned that there is so little funding available to serve young people, which prevents these programs from scaling up to meet demand.

Overall, providers and workforce experts agree that DYCD's programs are more realistic in their per-participant cost reimbursement and service level expectations than HRA's programs, although HRA

# Coordinating the activities of the agencies, providers, funders, and other stakeholders that comprise New York’s workforce development infrastructure is critical to ensure the greatest return on public and private investment.

has undertaken a bolder, more radical transformation. One workforce expert characterized the difference as a gap between ambitions and implementation. “HRA came out, listened, and asked questions,” says the expert. “But at the end of the day, everything they experienced did not make it into the RFP. DYCD took what they experienced and interpreted it as something that was programmatically meaningful.” But both agencies deserve credit for attempting to incorporate higher quality services into their programs at a time when public investment in workforce development has not kept up with the field’s ambitions.

## **Increasing system and policy coordination**

New York City has eighteen agencies and non-city entities that deliver, fund, or coordinate workforce services. Before Career Pathways, these groups had done little to harmonize their policies, procedures, and regulations. The resulting labyrinth of bureaucracy has led to rampant inefficiency in the delivery of these services. Coordinating the activities of the agencies, providers, funders, and other stakeholders that comprise New York’s workforce development infrastructure is critical to ensuring the greatest return on the public and private investments in the system. This entails creating and funding partnership networks that ensure “no wrong door” accessibility to the entire workforce system via any one agency or provider. It will also require harmonizing the metrics used to assess outcomes across agencies and programs. The city took an important first step by creating a mayoral-level office

to coordinate the workforce system’s efforts, but its role should be strengthened.

The Mayor’s Office of Workforce Development has been charged with coordinating workforce development and establishing common metrics and procedures. WKDEV’s most important role is to align the workforce activities of all of these agencies to the Career Pathways framework, as well as to marshal the expertise and resources of other stakeholders, including providers and private philanthropy. Having a defined champion for Career Pathways also helps to ensure that the framework remains relevant and that individual city agencies remain accountable to it. Indeed, the office has facilitated dozens of conversations among officials at various workforce agencies, ranging from information sharing sessions to program planning meetings.

However, although WKDEV serves as a convener and facilitator, it does not have a mandated role that would allow it to hold agencies directly accountable for the use of workforce funds and the structure of programs; individual agencies continue to have ultimate decision power over how they use their funds and structure their programs. This siloization of responsibility threatens to undermine the city’s goal of creating a unified system through increased agency cooperation. This disconnect may explain, in part, why the city has not yet articulated or funded a strategy to bring each element of the workforce development system together.

The new RFPs are following the model of the previous system by funding providers individually to deliver

the services they have available. Although the RFPs encourage providers to partner among themselves, the contracts do not provide the funding and capacity to do so. “The problem is that neither WIOA nor the city fully understands what it takes to actually create an effective set of Career Pathways,” says Steven Dawson, an independent consultant on low-income workforce development issues. “There needs to be a recognition that it’s about the intersections between organizations and about the capacities they have to do more than just deliver *their* services. It’s not a matter of just lining up each organization along a pathway and expecting that by funding each organization separately they are going to have the resources and capacity to actually work together as a system.”

WKDEV’s other main coordination role is the creation of common metrics that the city can use to measure the effectiveness of its workforce development programs. WKDEV has developed thirteen criteria to measure program effectiveness, ranging from the number of clients served, to the number hired and the wages they earn, to measures relevant to long-term outcomes, such as occupational skill gains and wage growth. The next step is to determine what data agencies currently collect and how they define their own metrics. Each agency’s definition of a job placement or even who is considered a client can vary, making direct comparisons of program outcomes virtually impossible. Different agencies and even different programs within each agency may report to separate government or private funders, each with their own definitions for any given metric, leading to the proliferation of incomparable data. Codifying common metrics involves analyzing the data collected by each program, determining why some data is or is not collected, standardizing the definition of each metric, and working to ensure that all workforce programs are reporting data that is relevant to measuring their effectiveness. “We know that not all of the thirteen metrics are going to be relevant to each program,” says Stacy Woodruff-Bolte, an economic development advisor at WKDEV who helped draft the Common Metrics. “We say they are common metrics, but how common are they? This work takes us down the path of [developing a] common language.”

The system-wide challenge of compliance and performance reporting is an even greater burden for individual provider organizations. Whereas the city’s interest in streamlining and standardizing data collection and outcomes definitions is based on the need to keep programs accountable, providers are concerned with cutting down the amount of staff time spent reporting. “We don’t have a coordinated data reporting system across multiple contracts and funding streams,” says Randy Peers of OBT. “And no agreement on a standard set of outcomes means we spend an enormous amount of resources just reporting.” Peers argues that different funders have different definitions for outcomes, meaning that his organization must report on the same clients in different ways to different funders. “I use four different databases to report just on government contracts and probably about a dozen different other reporting formats to report to different foundations,” he continues. “We spend so much staff time and so much energy and resources just putting the same information on the same people on multiple databases, depending upon who we’re reporting out to.”

Creating and implementing common metrics can help solve both problems. Through closer collaboration, individual workforce agencies and the system as a whole can learn which outcomes measure what matters and report these metrics across the board.

# MAIN CHALLENGES

**Although Career Pathways shows much promise** for transforming the city's workforce development system into an effective agent for advancement and opportunity, significant challenges threaten to derail the work. The primary obstacles include the minimal funding currently available to support the intensive services that Career Pathways requires and the lack of capacity among providers to deliver those services at a large enough scale. In addition, public funding does not currently pay for the kind of collaboration among providers that would allow them to create seamless service paths for clients of the system. Finally, the city still has a lot to learn from the workforce development community in order to inform its own programming.

## **Piecing together the funding puzzle**

The kinds of services that Career Pathways envisions—such as industry-specific training, deeper employer engagement with the workforce development system, and bridge programming—are much more intensive and considerably more expensive than the standard employment services that have been the focus of workforce development funding until now. Although the federal Workforce Innovation and Opportunity Act of 2014 called for a more integrated approach to workforce development and a greater focus on training, it did not provide increased funding for such programs. In the absence of more federal funds, the city is only beginning to explore new sources of consistent funding in order to realize its ambitious vision. However, the real challenge is to secure funding sources that are flexible enough to allow for experimentation and the strategic planning work that is needed to build the system.

WIOA funding in New York City stood at \$69.1 million in 2015, which is a little over a third of what it was in 2000, after adjusting for inflation. Similarly, federal TANF block grant funding has not increased since 1997, and has lost a third of its value to inflation since then. In the face of such drastic cuts, the city is looking to integrate other sources of public funding into the

workforce system, such as the Supplemental Nutrition Assistance Program's Employment and Training program (SNAP E&T), state Employment Preparation Education (EPE), and state Department of Education funds for adult basic education. The city is also trying to leverage the 15 percent of federal WIOA funds that are not required to be passed through to local areas, but allocated directly to the state to use as it pleases. Unfortunately, each of these sources of funding has its own restrictions that limit the purposes for which they can be used.

SNAP E&T funds, for example are intended to provide workforce training and education services for SNAP recipients that are not receiving cash assistance. In FY 2015, the city received \$1,957,631 in 100 percent reimbursable SNAP E&T funds and \$51,129,367 in 50 percent reimbursable funds.<sup>7</sup> The 100 percent funds are a fixed allotment from the federal government that can be applied to education and training services provided to SNAP recipients, while the 50 percent funds are reimbursements for non-federal investments in training services for this population, and are not capped. The other half of SNAP E&T expenditures not covered by the 50 percent reimbursable funds are paid for through a mix of local and state sources. Programs funded with this money cannot be made available to recipients free of charge through other governmental or private funds. SNAP E&T also has employment requirements for certain types of recipients.

The current SNAP E&T Employment Plan published by HRA indicates that the agency spent \$220,641,441 in federal, state, and local funds associated with SNAP E&T and Temporary Assistance, including direct contracts and memoranda of understanding with other agencies. Of that amount, 26 percent went to provide HRA Back to Work services, 29 percent went to the WeCARE program for cash-assistance clients with special needs, and 22 percent went to a wage subsidy program. The remaining third of the money went to the Jobs-Plus program for residents of public housing, employment services, clinical case management, and

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other programs. Notably, only 1 percent went to job training.<sup>8</sup> There could be room to allocate more SNAP E&T funds to training programs.

The state’s Regional Economic Development Councils are another potential source of funds. Created in 2011 by the Cuomo administration, the mission of the ten REDCs across the state is to prioritize and fund economic development projects in their districts and to “train the workforce of tomorrow.” Despite this, REDCs statewide have contributed only 1 percent of their funds to workforce development activities.<sup>9</sup> In New York City, Per Scholas was able to attract investment from the local REDC to fund a training program for software testers that they created in partnership with a software testing company. Per Scholas used the funds to build a training center at their Bronx headquarters and to fund the training itself.

Career Pathways has also led to deeper and more productive dialogue between the city and private philanthropic funders of workforce services, including increases in funding from members of the New York City Workforce Funders. For the past decade, private philanthropy has been funding direct service programs both within and outside the city in the areas of occupational skills training, capacity building, and technical assistance for workforce providers and bridge programming.

Indeed, the most effective workforce programs in the city have depended on a combination of private and public funding. Such organizations avoid being limited in the services they can offer by having the ability to draw from multiple funding streams.

“Blended” funding gives these organizations the dexterity to address the many interrelated barriers and challenges that their clients face. Public funding often delivers the large-value contracts, but private dollars have allowed these organizations to innovate and grow their models in ways that public dollars rarely permit. Although this symbiosis of public and private funding has been playing out at a provider level—and has produced nationally recognized programs—greater cooperation between the city and philanthropy holds promise to migrate innovation and flexibility from the provider level to the whole system.

Flexible funding can also flow from sources that are under local control. State and federal funding is much more likely to come with strings attached over which the city has no control. Thus, ensuring that the system has sufficient flexible funding will require the deBlasio administration to make its own investments in the workforce system, just as it did with universal prekindergarten and other important systems-level social initiatives. As Sara Schlossberg of SBS observes, “Making Career Pathways happen will take three things at a city level: an appetite for long term change that’s sustained, a willingness to work through the pains of coordination and collaboration, and the ability to learn and to pivot.”

### **Making every door the right one through effective referrals**

The original Career Pathways report makes it clear that the new framework is attempting to address the

fact that a jobseeker cannot currently walk through the doors of one workforce organization and gain access to all the services the city has available. The city's workforce system lacks the kind of sophisticated referral system that would allow any one organization to refer a client to the organization that would best serve that person's specific needs. The current reimbursement system is based on individual organizations proving certain outcomes for their clients; it does not have a protocol for outcomes that are achieved through the collaboration of several organizations. Therefore, workforce development organizations tend to offer workers and jobseekers only the services they have available, without necessarily addressing the full range of services they need. Unfortunately, this is a challenge that the workforce system has not yet overcome, and the Career Pathways report offers no guidance as to how effective referral networks and partnerships can be created, nor has WKDEV provided any subsequent clarification.

Few organizations can curate a whole continuum of services in-house, which means that multiple organizations should team up to provide the necessary supports for individual clients' career pathways. This involves creating a more seamless system for jobseekers that will address workers' barriers at the individual level and be able to provide everything from basic skills training to career exploration to occupational training to placement services, no matter where the worker first accesses the system. Yet federal, state, and local sources of funding provide little support for the kind of strategic planning and experimentation that is required to set up and codify such partnerships.

Providing integrated support is crucial, because it is difficult for workers and jobseekers to navigate a workforce and education system as large and complicated as New York's. "Even people who start life with more advantages and more resources and better quality schools often wander around a bit," observes Chauncy Lennon of JPMorgan Chase. "They don't always know what they want to do, but eventually they figure something out. But [workforce clients] are people who come with various kinds of disadvantages, and we know that the system is not friendly if you don't know what you want."

A well-functioning workforce system should present an individual with a clear set of symbiotic (e.g., training and income supports) and sequential (e.g., bridge and training) services from organizations that are coordinating to ensure that the services fit together. The problem is that there is no system to recognize each link in that chain of providers for offering a discrete, reimbursable service that leads to a desired outcome. As workforce expert Blake Foote observes, "No one has ever been paid for making referrals, or even for interim milestones like reaching a certain reading level. Clearly building performance metrics into contracts is going to require a sophisticated understanding of what those milestones are and how to incentivize them."

Breaking down a one-size-fits-all approach to workforce development is especially crucial for serving clients who need the most support. For example, a young person with a fifth-grade reading level and no high school diploma will need to obtain a high school equivalency before engaging in career exploration, a sector-specific bridge program, advanced occupational training, and finally a job search. The city's workforce infrastructure can offer all of these pieces, but without coordination among them, clients can rarely hope to navigate to the services they need, when they need them. An effective referral system requires every organization to be aware of the services available throughout the network, have the capacity to do an initial assessment that would allow referral to the right services, and follow up to make sure clients got where they needed to go. And providers need to be able to get paid for the work that went into making the referral.

"All those components cost money," says Randy Peers of OBT. "But if we all operated like that, we should have more successful outcomes, because we would be slotting the right people into the right program at the right time." Peers recommends that funding be made available to "pay organizations for the assist." As he explains, "In basketball, you may never have had the chance to make that basket if you didn't get the right assist. [And] you get credit for the assist. In our world, we should get credit for it, too, especially if the end result is a successful outcome for the person that came through the door."

But as Chauncy Lennon points out, most organizations are currently not set up to operate the sophisticated referral system that would make the system more seamless for the jobseeker. “The Career Pathways framework is a very useful way for all the actors in the workforce system to think about the roles they play,” he says. “But I think we are less sure about what the pathway looks like from the perspective of the jobseeker.”

Creating a seamless pathway is difficult to get right. Although it appears logical to follow Career Pathways’ suggestion and hand off clients to a series of provider organizations that are specialized in specific segments of a career path, many providers say that too many handoffs among service providers can be counterproductive. “It can be very frustrating and difficult for participants because just when they get comfortable working with a certain group of people, they get pushed off to someone else and the relationship becomes more distant,” says Kimberly Scelta, a program assistant at STRIVE’s East Harlem Talent Network. Angie Kamath of Per Scholas agrees, pointing out that “Career Pathways has lots of on-ramps and off-ramps, but every step along that pathway should not be a different organization. I think people will get lost if there isn’t a consistent hand helping folks and pointing out opportunities and options.”

Few best practices exist around this topic, making it an ideal area for experimentation. Jobs First NYC’s Young Adult Sectoral Employment Project (YASEP) is the most comprehensive experiment in this area. Started in 2014, YASEP has teamed up several of the city’s youth workforce providers with community colleges, trade associations, employers, training organizations, and other stakeholders, giving them the mandate to establish strong career pathways for young people in specific sectors. The pilot program, which is supported with private foundation dollars, is set to run its course at the end of 2016, after which outcomes will be evaluated. If successful, the results could migrate to the broader workforce field.

Another Jobs First NYC project, the Lower East Side Employment Network (LESEN), provides an example of a sophisticated referral network. LESEN’s six member organizations collaborate to prepare Lower East Side youth for the hospitality and retail jobs being

created in the neighborhood. Member organizations share a common employer engagement coordinator, paid through private funding, who receives job orders from employers and works with all six member organizations to fill them. Thus, while no one organization may have had enough qualified candidates to fill a large job order, the collaborative as a whole is often able to do so. This collaborative can serve as a model for the types of referral partnerships that would have to be developed in order for jobseekers to be connected to the sequential services and supports they will need throughout their career pathways.

### **Building capacity in the system**

Despite requiring a host of higher-touch services to meet the goals of Career Pathways, the city is only beginning to invest in capacity building among providers of workforce development services. CEO is actively working with DYCD’s YALP and their own Justice Corps programs to transform them into bridge programs, and the Workforce Professionals Training Institute is running a boot camp for prospective respondents to the HRA’s RFP, funded by the New York City Workforce Funders. Although these efforts are important, the system as a whole will need to invest much more in two important areas of organizational capacity: professional development for staff, and identifying and adopting the best practices in the field.

Most capacity-building has been focused on bringing organizations up to compliance when they fail to meet their program goals, rather than cultivating quality providers for workforce services through continuous learning and improvement. Much of this work happens at the staff level; providers report that one of the biggest obstacles to organizational growth is the lack of professional development opportunities for staff. “Teachers don’t operate without professional development, and they are dealing with people who are easier to deal with,” notes Bret Halverson, a consultant to the New York City Workforce Funders, a major supporter of capacity building in the workforce field. “You need to have a comparable approach for people who are going to deliver the services. We haven’t invested in this side of the business.”

## “We would be a much stronger city if we could actually invest in the capacity of medium-sized organizations to grow.”

Building capacity in the workforce system to achieve the Career Pathways agenda also involves scaling approaches that work, either by expanding organizations that are doing good work or by migrating best practices to the system as a whole. Yet, although public contracts provide a significant amount of money and a mandate to serve large numbers of people, the regulations around how the money should be used are too restrictive to support the innovative programs that the city’s standout workforce organizations have been able to develop through blended funding. As such, the system remains bifurcated: the most innovative and effective organizations and programs are those with access to a diversified blend of philanthropic and city funds, allowing them the flexibility to adapt their work to the needs of their clients. By comparison, programs that are funded solely or largely through more restrictive sources, such as WIOA and TANF funds, are unable to grow or adapt, preventing these programs from offering the full range of services that their clients need to succeed.

As a result, organizations looking to expand are faced with the choice of either sticking to their mission and looking outside New York City for expansion opportunities, or shifting their mission to encompass available city contracts. This was the conundrum that Per Scholas faced when it was looking to grow. “Per Scholas scaled up by going to cities outside of New York City,” recounts Angie Kamath. “Our ability to grow within the communities we are operating in should be in part driven by flexible government funding invested in proven models like ours. It’s really hard in New York City to get effective programs to want to participate in a system that currently is hard to navigate and often hinders innovation.”

Indeed, providers have commented that the city’s few large contract opportunities, such as running a

Workforce1 Center, are too limited in their scope to allow mission-oriented programs like Per Scholas to expand. “The system should figure out how to invest in medium-sized organizations to do this work so that, five years from now, we are not in the same boat we are in today, with a couple of mega players and higher education,” says Kamath. “We would be a much stronger city if we could actually invest in the capacity of medium-sized organizations to grow.”

An equal challenge is finding a way for providers of services for high-needs populations to be brought into the Career Pathways fold, since nearly all of them serve clients that need workforce development help. These clients may include immigrants; out-of-school, out-of-work youth; geographically or otherwise isolated communities; and former offenders; all of whom typically need more intensive services than mainstream workforce organizations are equipped to provide. But few of these organizations—particularly smaller, community-based organizations that work with specialized populations—have the expertise in employer engagement, bridge programming, and occupational training to be successful under Career Pathways. Yet reaching the city’s most vulnerable workers is crucial to the success of the system as a whole. Immigrants, for example, comprise the majority of entry-level workers in five out of the six industry sectors that the city has chosen to focus on in Career Pathways. The Mayor’s Office of Immigrant Affairs has supported efforts to address their needs. Failing to tailor programs to the needs of these populations will undermine the goal of providing the city’s employers with a skilled labor force while helping New York City jobseekers and workers to find good jobs and advance in their fields.

# RECOMMENDATIONS

## Build skills employers seek

### **Implement career exploration curricula in all public middle and high schools.**

Youth development principles suggest that the best way to introduce young people into the workforce is by giving them an opportunity to explore their career options before committing to a single track. However, programs that work with young people once they are out of school are faced with the pressing need to help clients find jobs immediately and earn income. As a result, many young people who do not go on to obtain postsecondary credentials end up in lower-wage jobs in retail, food service, and other fields that tend to collect young people with similar educational and social backgrounds. In-school youth (ISY) programs run by DYCD introduce work skills and career exploration to youth as young as fourteen, but those programs serve very few people; the current ISY RFP is designed to serve just over 1,200 young people ages fourteen to eighteen, compared to a New York City public school population of close to one million.

By beginning career exploration in middle school and continuing it through high school, young people would be better able to participate in their educations and shape their futures. A good career exploration program will not only introduce students to the diversity of careers available, but will also reveal the educational and skill pathways required to get there. Showing young people concrete ways in which education and skills lead to better careers and a brighter future is likely to motivate more of them to complete high school and obtain postsecondary credentials. This is particularly true for young people who have been exposed to few positive role models along the way. Embedding career exploration into the DOE's curriculum would harness the agency's considerable per-student funding in the service of workforce development. The DOE could also draw on the information gained from the Industry Partnerships and its expanded CTE network of schools to help create and enhance career exploration curricula. The DOE has

made its strongest efforts to connect students with career-building opportunities in these CTE schools. The agency should redouble its efforts and expand them to the rest of the public school system.

### **Support efforts by CUNY to develop system-wide alternative credit policies that apply to all of its 25 campuses.**

CUNY's capacity to offer training, education, and bridge programs makes the university system a crucial piece of the city's workforce development infrastructure. Yet CUNY schools have maintained a rigid system that makes it difficult for students with existing work experience or training credentials to build on their knowledge by turning it into credits toward a degree. Workers looking to go back to school are faced with the hurdle of having to spend time and money taking more basic classes before they can enroll in classes that would build on their existing knowledge. CUNY has set up a task force to study the possibility of developing an alternative credit policy. The city should support the task force's progress and provide resources where necessary to ensure that CUNY can become a more active partner in the city's efforts to align its workforce development resources. CUNY should also develop articulation agreements with community-based organizations (CBOs) that offer exceptional programming. SUNY Empire State College has established one with Year Up New York in which students who complete academic tracks through the CBO can receive between 18 to 21 credits at the college.

### **Ensure that the Industry Partnerships can be a resource to all parts of the workforce system.**

Keeping the Industry Partnerships functioning and relevant across mayoral administrations is critical to the success of the entire Career Pathways framework. While the original Career Pathways report left open the possibility that the IP would be established either within the city or contracted out, the current plan has been for all of the partnerships to be

established within SBS. Many in the workforce community have called into question whether SBS would be the most appropriate host for the partnerships. On the one hand, the agency is one of the most important sources of knowledge and capacity in the city's workforce system, but on the other hand, workforce experts fear that the agency will not share the partnerships with other agencies.

In order to maximize the effectiveness of the Industry Partnerships, their host entity should fulfill three conditions. First, the partnerships ought to be housed in the entities that have the greatest credibility within each of the industries, to ensure that there is continuing support for their work. These entities may include independent intermediaries, unions, or perhaps the city itself. Second, funding support for the partnerships should be diversified to ensure that they are not vulnerable to the vagaries of political support across administrations. Finally, the entity that hosts them should be completely open to sharing the capacities of and learnings from the partnerships with all of the other workforce stakeholders, both inside and outside the city administration.

### **Set standards for job quality**

#### **Create more incentives for businesses to treat their employees well.**

The Best for New York program provides a benchmark for what good employer practices look like, and can offer public recognition to these companies. However, instead of waiting for other employers to voluntarily improve the treatment of their workers by emulating the best performers, the city could provide a business case for improving job quality by extending preferential treatment to Best for New York companies that bid for city contracts. A process for doing this is already in place for minority- and women-owned enterprises (MWBE). The city is generally required by law to grant contract work to the lowest bidder, so when the city is considering competing bids, it reduces the prices of bids from MWBEs by 10 percent in order to make them more competitive. In Los Angeles, companies that have their headquarters in the city also receive such preferential treatment.

#### **Leverage existing relationships between workforce development providers and employers to address job quality.**

Many providers believe that pushing employers too forcefully to improve job quality will threaten their relationships, limiting job opportunities for their clients. At the same time, behind many successful employer-provider relationships are one or two managers or executives who believe in the work that their provider partners are doing and want the workers who get placed at their companies to succeed. The city should leverage these existing relationships and individuals, supporting their grassroots efforts to improve job quality and developing peer networks of managers and executives that encourage other companies to follow suit.

#### **Expand and modernize work supports.**

The passage of paid sick leave last year and paid family leave for nonunion city employees is a good start, but the city should also use its advocacy leverage to support paid family leave at state level, encourage participation in the federal Earned Income Tax Credit (EITC), advocate for increasing state and local EITC, and sign people up for SNAP. The city should also build on its investment in universal prekindergarten to expand access to childcare, especially for parents in training and education programs. By strengthening and modernizing work supports, the city can raise the floor on all jobs.

### **Increase policy and system coordination**

#### **Secure permanent sources of new funding, especially from local sources.**

Career Pathways presents a framework for a workforce system that delivers much higher-touch—and therefore much more expensive—services than the previous system. It is therefore impossible to serve the same number of people with higher-quality services at the current funding levels. Without a concerted effort to secure permanent sources of funding through both government and private sources, policymakers are going to have to make a tough tradeoff between offering some level of service to many people or serving

fewer people well. As it is, the proposed HRA programs only expect to have enough capacity to serve 10 to 15 percent of their clients through training and education programs, because they are bound by federal regulations to serve the entire cash assistance pool. DYCD programs, in contrast, are funding deeper services for far fewer people. It is essential that the additional funding is flexible enough for providers to fill important gaps in services, which other funding streams do not always fill, such as case management, referrals, wraparound services, and post-placement follow-up. Local city tax levy funds are potentially the best source for this kind of flexible funding, but obtaining them will require deeper buy-in from the de Blasio administration and the City Council. State and federal sources of funding can include SNAP E&T funds, the Regional Economic Development Councils, the state Department of Education, and Community Development Block Grants.

#### **Increase support for capacity building.**

The second most significant limiting factor in the development of Career Pathways is the relatively small number of workforce organizations that have experience providing the higher-touch services required by the new framework. Although there are perhaps a dozen organizations in the city that have offered occupational training and bridge programs and developed deep and productive relationships with employers, many others do not have the capacity to offer such services. This is because public funding streams have neither required nor incentivized organizations to offer these services. As a result, there are not enough seats in existing programs to ensure that clients who need these services can actually access them. Not all of these providers can or want to greatly scale up their programs, so the workforce system as a whole should seek to migrate practices from the best programs to the system as a whole, thereby increasing the system's capacity to provide quality services. The city has already funded capacity-building services through CEO for organizations interested in providing bridge programs and the Workforce Funders have supported organizations seeking to respond to the RFPs issued by HRA. The city should continue to provide opportunities

for organizations to build their capacity to learn and implement best practices, and foundations should be a critical partner in this work.

#### **Create stronger incentives, guidance, and support for partnerships and referral networks.**

Private funding has generated many examples of effective partnerships, such as Y Roads, which links Opportunities for a Better Tomorrow and the YMCA; Jobs First NYC's Lower East Side Employment Network and Bronx Opportunity Network (BON); and the Career Access Network Program, a bridge to Per Scholas run by The Door. In all cases, resources were allocated to fund the entire partnership, not just individual organizations' interventions. For example, OBT and the YMCA developed a joint proposal for the Y Roads program in which OBT provides training and job preparation and the YMCA provides wraparound services. These organizations shopped the program around to funders as a single vision. LESEN was formed when private funders decided to support a job developer who would work with all six member organizations and recognize each other's outcomes, allowing the member organizations to freely refer clients to other providers within the network without fear of not being reimbursed.

All of these partnerships create broader and tighter support nets for clients by combining organizations that offer complimentary services, thus vastly extending the reach of each individual organization. In the case of LESEN and BON, the partnerships are also geographically concentrated, which is an important way of targeting areas of the city where poverty and joblessness is concentrated. Local organizations that have the capacity to deliver quality workforce services are especially important for young people who are more likely than adults to depend on a local organization to connect them to opportunities outside of their neighborhoods. Encouraging partnerships is also a good way to stretch workforce dollars further and to prevent duplication of services.

The city has many options for encouraging more cooperation among providers. At the most basic level, the city should make available a directory of workforce development and other human services

organizations that would allow front-line workers in all human services organizations to make appropriate referrals. This directory could take the form of an interactive online map, making it easier for organizations to locate organizations by neighborhood. The city could also change the structure of new RFPs to ask for large-scale performance outcomes that can only be delivered as part of a consortium, while at the same time creating a clear structure for how each organization in a partnership would be reimbursed and credited for those outcomes. The city has begun to implement this model through the Rockaways Economic Advancement Initiative, a privately funded partnership among SBS, CEO, and NYCHA.

### **Develop customized solutions for populations with specialized needs.**

Career Pathways does not articulate how the framework should adapt to serve immigrants, youth, formerly incarcerated people, and other groups that need specialized services or who have specific barriers to achieving self-sufficiency through employment.

Bridge programs are a key component of any strategy to address these specific populations. These programs should range from pre-literacy programs aimed at people who have limited English proficiency and limited literacy in their native language to workers seeking to transition to a career in tech who need to skill up before entering the field. In all cases, care should be taken to ensure that the structure and expected outcomes of the programs are appropriate for the populations being served. For instance, immigrants who could be served by pre-literacy bridge programs often work low-paid jobs with unpredictable schedules, making it difficult for them to attend classes regularly. This population needs programs that are more flexible than the standard ESOL programs. The city should work with organizations that specialize in serving these populations, identify the challenges their clients face in finding jobs and navigating the workforce development system, and supporting programs and policies that address those challenges. The Mayor's Office of Immigrant Affairs has begun to address these issues.<sup>10</sup>

### **Give the Mayor's Office of Workforce Development more accountability over workforce programs and policies.**

WKDEV has assumed the crucial task of developing the Career Pathways vision and coordinating the activities of the workforce agencies in order to align their work with that vision. But the office lacks the power and resources to keep workforce agencies accountable, and has only an advisory role in shaping the programs of individual workforce agencies. The mayor should consider delegating more direct power to the office and giving it more resources to shape programs and control funding streams in partnership with city agencies, modeled along the lines of the Boston Private Industry Council's ability to engage employers, the Philadelphia Youth Network's ability to braid and blend various funding streams, and the Washington State Workforce Training and Education Coordinating Board's ability to use workforce data to shape programs and policy and coordinate workforce assets.

### **Create a participatory planning process for workforce development.**

Involving providers and other workforce experts in the process of creating public workforce programs would help ensure that the programs the agencies propose can be implemented successfully. The city has often claimed that procurement rules limit the extent to which they can involve providers in the planning of programs, but there may be room for flexibility. For instance, workforce development experts commend the Economic Development Corporation's systematic process of involving professionals to shape its LINK suite of workforce programs that were targeted at specific populations, and youth providers credit DYCD with incorporating feedback from the youth workforce development community to strengthen its recent RFP. In contrast, many in the workforce community say that HRA took limited outside feedback into account when crafting its RFP, leading to program proposals that are highly problematic. The city should think outside the box when engaging providers and revise procurement rules that create an unnecessarily restrictive barrier to effective engagement of the workforce community.

# ENDNOTES

1. Career Pathways Progress Report, p. 8.
2. González-Rivera, Christian and Kate Hamaji. “A City of Immigrant Workers: Building a Workforce Strategy to Support All New Yorkers.” Center for an Urban Future and the Center for Popular Democracy, 2016. Retrieved from <https://nycfuture.org/research/publications/a-city-of-immigrant-workers-building-a-workforce-strategy-to-support-all-ne>
3. CP Progress Report, p.17.
4. CP Progress Report, p. 8.
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9. Regional Economic Development Councils: Regional Partners, Global Success 2014.” Retrieved from [http://regionalcouncils.ny.gov/assets/documents/REDC\\_2014\\_Guidebook.pdf](http://regionalcouncils.ny.gov/assets/documents/REDC_2014_Guidebook.pdf).
10. The Mayor’s Office of Immigrant Affairs provided institutional support for the González-Rivera and Hamaji report, “A City of Immigrant Workers.”

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