Center for an Urban Future

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THE END OF AN ARRA

The 2009 federal stimulus brought a huge infusion of funds to New York City for job training and workforce development; with the money now running out, we examine how the funds were spent and what the end of this funding stream means at a time when countless New Yorkers are still out of work

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THE END OF AN ARRA

In the winter of 2009, with more than 1.4 million job losses in the first two months of the year, the federal government passed the American Recovery and Reinvestment Act (ARRA) into law as a way to quickly inject liquidity into a stalling economy and maintain critical services that would allow individuals and communities to survive through the recession. At first glance, New York City made out pretty well. More than $7 billion in Recovery Act funds went to programs benefitting New York City residents, which was more than many entire states received. These funds went toward failing schools, community development block grants, building retrofits and a much needed temporary increase in the federal match for Medicaid, among many other things.

The most important way of assessing these investments has always been in terms of the jobs saved and people helped, but from the beginning it was also hoped that Recovery Act investments would provide a unique opportunity for policy innovation and reform. In no policy area was this truer than in workforce development. And in no other city would the payoff and potential pitfalls be clearer than in New York, the country's largest workforce development system.

In all, the city received more than $86 million in ARRA funds for workforce development programs at the Department of Small Business Services (SBS) and the Department of Youth and Community Development (DYCD), the city's primary agencies for workforce training; $63 million came from the Workforce Investment Act (WIA), the city's dominant source of funding for workforce training programs, and $23 million from Community Service Block Grants. The new funds brought the city's workforce budget up to levels it hadn't seen for years.

However, all that money also came with strings attached: First, the funds had to get out the door and into the economy as fast as possible; the programs were supposed to be, as the Obama administration put it, "shovel ready." Second, all ARRA funds had to be spent by June 2011, after which the city's regularly scheduled funding streams would resume at pre-stimulus levels. In other words, in order to receive ARRA funds, workforce programs had to be either already up-and-running or far enough along in the development process to begin implementation almost immediately, and they had to be flexible enough to absorb a lot of additional funds over a short period and then shrink back down again.

To determine ARRA's impact on New York City's workforce development system, our team of researchers reviewed municipal budgets and performance data and interviewed more than 40 city officials, representatives from community organizations, advocates and other experts on the workforce development system and its programs. Despite federal and city efforts to provide transparency in the distribution of the Recovery Act funds, tracing funding in this complex and multifaceted system was a challenge. This is the first overview of not only where the dollars were spent, but how well they were spent and what their lasting impacts are likely to be.

We found that Recovery Act dollars specifically for workforce development in New York City funded about 3,000 job placements, trained 6,500 individuals, provided internships for 3,000 students, and paid for 27,900 teens and young adults to have a summer job. Three programs—Individual Training Grants, contracts with community-based organizations, and the city's Summer Youth Employment Program—received about two-thirds of the $63 million in additional WIA funds, though more than a dozen other programs received support as well.

ARRA's huge injection of funds also led to some significant policy innovation. The Department of Small Business Services, for example, used Recovery Act funds to roll out or resume several ideas and partnerships that had been held back by recent budget cuts, including a new Workforce1 Career Center that was specifically focused on the health care sector, new courses with support services for health care training, and new programs that helped jobseekers with more experience and those who are working to advance in their careers. In addition, many of these ARRA funded programs moved the system toward more collaboration. City agencies like the Fire Department and the Department of Cultural Affairs were connected to job training programs, and SBS deepened its relationships with the Department of Education, the City University of New York (CUNY) and other agencies, as well as with a loose network of community-based organizations.

Considering the economic environment of the past two years, those are some very solid accomplishments. However, it is also true that many of these new programs and initiatives could have been implemented even sooner had the federal government not cut back dramatically on workforce development funding in the years preceding the Great Recession. In fiscal year 2002, for example, the city's share of federal WIA funds totaled $142.5 million. By 2009, before ARRA funds were made available, that number had been reduced to $68.4 million, a 52 percent decrease in only seven years.[1] In 2011, the Individual Training Grants program, which issues vouchers to qualifying jobseekers, had a total budget of $12.7 million. That was significantly smaller than it was in 2006, even with ARRA funds added.

In some cases, Recovery Act funds also made it possible for the city to cut back on its own investments in workforce development programs, which had been increasing over the last few years in order to make up for federal and state cuts. In 2010, for example, ARRA funds allowed the city to cut $15 million of its own funding for the Summer Youth Employment Program, which no doubt helped the overall budget in a time of great fiscal strain but also canceled out some of ARRA's effect.

Moreover, because of the time constraints, the vast majority of the new funds went to programs that were already well-established and able to absorb a short-lived spike in funding. The Summer Youth Employment Program (SYEP), for example, which matches 14-to-24 year-olds with summer jobs in a variety of public and private organizations, received more than $18 million in WIA funds and $23 million in Community Service Block Grants. Those funds made it possible for the program's enrollment to balloon from 43,113 in 2008 to 52,255 in 2009, a huge boon to thousands of families. But it was also a one-time benefit, and already in 2010 the program dropped enrollment dramatically, denying spots to over 100,000 applicants.

Even the more innovative workforce programs that ARRA funded were almost exclusively programs that were already connected in one form or another to New York's workforce system. For example, most of the community-based organizations that contracted with SBS under ARRA-funded programs had already worked with the agency in the past, and SBS had already done most of the planning to open the health care Workforce1 Center.

To close observers of the city's workforce development system, those results aren't surprising—or necessarily a bad thing. "It allowed us to do a little more and a little sooner, but by and large the things that were done followed the directions that we had already set," says Reginald Foster, IBM's Corporate Community Relations Manager for the Tri-State area and a member of the New York City Workforce Investment Board (WIB). "The expansions followed existing strategies. A lot of the ARRA money went to doing more within the system."

"I think basically they took the money and were able to spend it on an agenda they had already outlined and designed," agrees Patricia Jenny, the program director for community development and the environment for the New York Community Trust. "[SBS] had a lot of conversations about how to spend the money, but in the end they spent it on programs that were already underway. You certainly couldn't design and start something up in an 18 month timeframe."

With the economy now on the mend, albeit slowly, and no political will for big-ticket spending at the federal level, another sharp uptick in WIA funding now seems extremely unlikely. Nevertheless, the last two years of increased funding offer a number of useful lessons. First, even though only a minority of ARRA dollars went to new initiatives, the fact that the city had several innovative programs already planned shows that the workforce system has the capacity and leadership to expand and innovate when given the right amount of support. The Department of Small Business Services (SBS), in particular, was given the chance to test out initiatives designed for dislocated workers who are higher up the career ladder and more firms learned that the system could serve their needs in finding that kind of candidate.

Next, ARRA came with several productive (and potentially permanent) changes to the way WIA dollars are disbursed, including a raise in age from 21 to 24 for WIA youth programs and the ability to use WIA funds to directly contract with educational institutions. In the past, city agencies were prevented from using WIA funds to develop training programs at community colleges, but because of this last change SBS was able to work closely with CUNY to build two of the agency's most successful new programs. Both organizations want to continue the relationship.

Since 2003, when Mayor Bloomberg split the responsibility for services between the Department of Youth and Community Development (for youth) and the Department of Small Business Services (adult), the city's once moribund workforce development system has made enormous strides. Most notably, the city has refocused attention on working more closely with local firms to provide training and placement services that match the real world needs of businesses. But there is still a lot work to do, and the need for workforce development to evolve has only increased since the Great Recession.

The city's unemployment rate is still at an alarmingly high 8.6 percent. In late 2010, there were more than 96,000 New Yorkers who had been unemployed for more than a year, and 62,000 who had been unemployed for more than 18 months.[2] Many mid-level managerial positions and low-level jobs in fields like construction and manufacturing aren't coming back even as the economy begins to improve. More than ever, skills and a post-secondary education are a requirement to find a job.

For these reasons, when the funds run out in June 2011, the workforce system will sorely miss the support of ARRA. The opportunity for employment for low-skilled, poorly educated Americans is almost certainly going to be significantly smaller than it was in 2007. And yet federal cuts to WIA are expected to continue, and there still hasn't been a meaningful shift towards truly supporting the integration of training and education into our workforce development system. Programs at DYCD and SBS still lack sufficient coordination, to say nothing of the shadow programs still operating at the Human Resources Administration (HRA). Talks of major cuts at the state level mean that some programs that were bolstered with ARRA funds risk being greatly diminished or, as with the innovative Advance at Work program for working poor New Yorkers, disappearing altogether.[3]

How well did ARRA perform for workforce development? "I think the city took full advantage of the money," says Suri Duitch, director of adult and continuing education at CUNY, "and now it's gone."

THE NEED AND THE LAW

The American Recovery and Reinvestment Act (ARRA) of 2009 was signed into law on February 17, 2009. Designed to help the country climb out of the biggest economic collapse since the Great Depression, ARRA provided $787 billion in federal tax cuts and incentives, social entitlement spending, and funding for agency-awarded contracts, grants, and loans. Of that, $4.81 billion was allocated nationwide to support workforce development programs administered by the U.S. Department of Labor (DOL).

For New York City, like most parts of the country, the need for stimulus and support was acute. From February 2008 to February 2009, the city's unemployment rate nearly doubled, rising from 4.5 percent to 8.4 percent.[4] By the end of 2009, it climbed to an alarming 10.3 percent. Even worse, the unemployment rate for those with less than a high school diploma was 13 percent, while the rate was 16 percent for black non-Hispanic males (nearly twice as high as for white non-Hispanic males, at 9 percent) and the rate for Hispanic males was 13 percent. Youth unemployment was perhaps most alarming: For 16-19 year olds it was 37 percent.[5]

The recession, stemming from the collapse of the housing market and Wall Street's unsustainable bet on mortgage bonds, also bit deeper into some labor markets than others and had a bigger and longer lasting effect than previous economic downturns. Unemployment in manufacturing rose to 15.1 percent and in construction it climbed to 13.5 percent. Lower-level corporate jobs also appear to have taken the brunt of the unemployment shift, office and administrative support had an unemployment rate of 10.4 percent and service occupations had an unemployment rate of 9.3 percent.[6]

A poll of unemployed Americans in December 2009 by CBS News/New York Times found that fewer than half of respondents expect all the lost jobs in their communities to come back when the economy recovers.[7] And more than a few economists agree. In this reshuffled job market, there's more of a premium on skills and education than ever before, with many positions requiring at least two years of college. Moreover, a huge influx of recently laid-off workers who haven't looked for a job for years—even decades—have now entered the market without the skills they need to transition into new careers. Facing this huge need is New York City's workforce development system.

Over the last decade, New York has vastly improved its services to help connect jobseekers with work. In 2003, Mayor Bloomberg took the responsibility for adult workforce development services out of the hands of the city's Department of Employment and gave it to the city's Department of Small Business Services, signaling a commitment to listen to and serve businesses as well as jobseekers and creating opportunities for collaboration with the city's business sector.

Meanwhile, youth workforce development services were placed with the Department of Youth and Community Development, allowing DYCD to focus on the different employment needs of teens and disconnected youth. In 2006, the NYC Workforce Innovation Fund, a partnership between SBS and private foundations that pool resources to spur innovation, released planning grants through the NYC Sector Initiative to promote a sectoral approach to workforce development, one that identifies the needs of growing industries like health care and education and develops skills training to fulfill those needs.

The most visible example of this new emphasis on workforce development are New York's Workforce1 Career Centers, where jobseekers can find a range of services such as workshops, career advisement and job search resources. WIA mandates that every service district in the country that receives federal money establish and maintain at least one of these "one-stop" centers. In 2000, the city had exactly the minimum: one center located in Jamaica, Queens, to serve the entire city. By 2010, the city had added eight more "centers", at least one for every borough and three specializing in specific economic sectors: health care, manufacturing and transportation.

Despite the important structural changes, however, the system has consistently faced program and budget cuts. Between 2002 and 2010, federal Workforce Investment Act (WIA) dollars, the single largest source of workforce development funding in the city, was cut by more than 53 percent, from $142.5 million in 2002 to $67.1 million in 2010 (not including ARRA funds). In order to make up for declining federal support, in 2008 the city started to invest much more of its own funds in workforce training programs. For instance, between 2007 and 2008, federal funds for SBS workforce programs dropped from $50 million to $41 million, while the city's own contribution rose from $1.6 million to $20 million. However, when federal funding increased again due to ARRA, the city made corresponding cutbacks on its contributions to important workforce development programs. In 2010, as ARRA funds hit their peak, the city reduced its own contribution to SBS programs by $6 million and to DYCD programs by $16 million.[8]

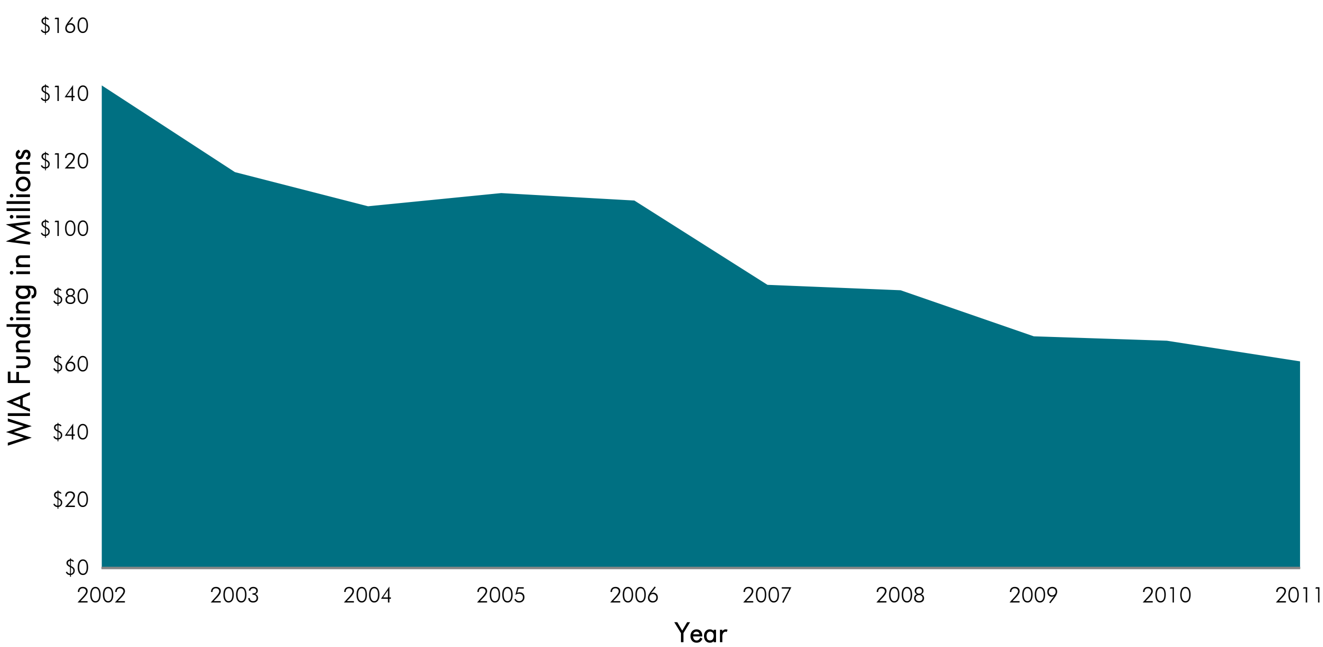
According to projections by the city's Independent Budget Office, the city will pull back support even more in the next three years (see graph on page 8). As a result, in 2014 total funding for SBS workforce development programs is projected to be nearly 50 percent smaller than in 2010 and 36 percent smaller than in 2006.[9]

How ARRA Came to NYC

In the very broadest sense, all the money for the Recovery Act was aimed at stimulating the economy and keeping people working during a massive economic jolt. Funding that supported job creation came through a wide variety of programs, including Community Development Block Grants, competitive grants to nonprofits, formula funds to the states, discretionary funds, and Congressional earmarks. In the case of New York City's workforce development system, the majority of the ARRA dollars were allocated through the Workforce Investment Act.

ARRA WIA funding to New York was allocated on the basis of the city's demographic characteristics and brought an additional $63 million on top of the city's standard allotment of $68 million for 2009, $67 million for 2010 and $61 million for 2011. The money was split almost

New York City WIA Workforce Funding: 2002-2010



Source: NYC Department of Small Business Services. All funds in 2011 adjusted dollars.

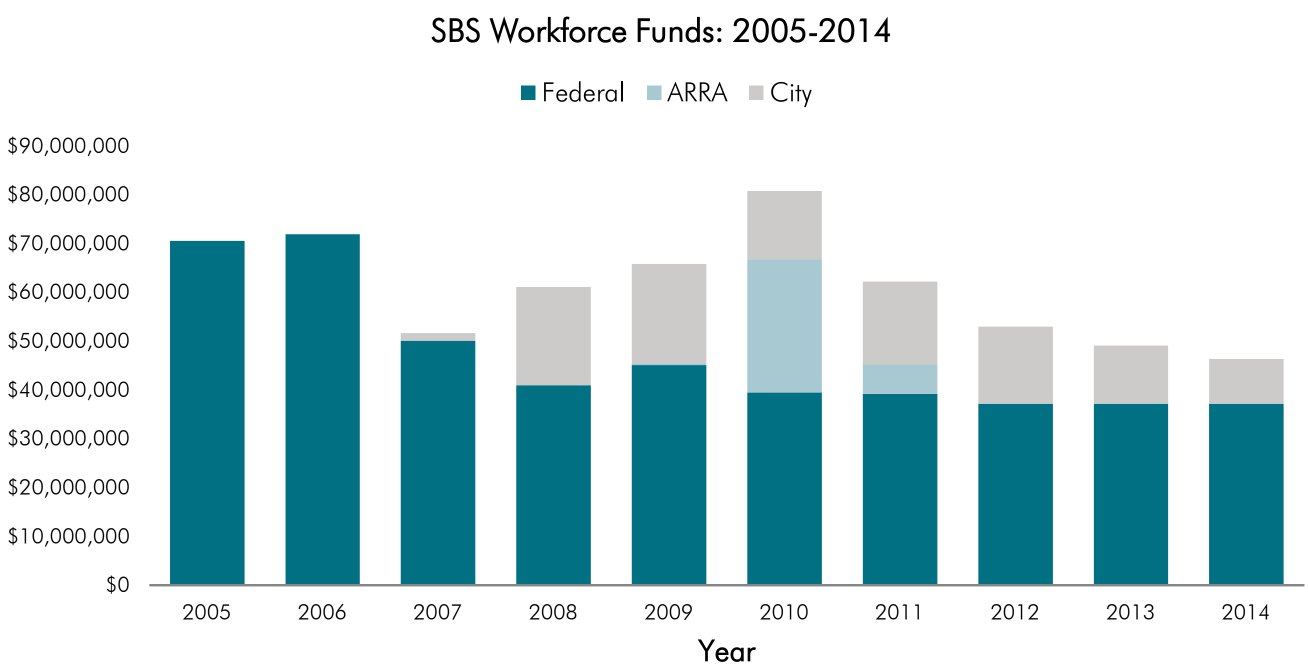
exactly in half between youth programs and adult programs. The adult dollars were also allocated for specific purposes—$15.3 million designated for standard skills and placement services for adults and another $16.5 million for dislocated—or laid off—workers.

However, because ARRA was designed and passed as a stimulus to the economy, the new funds it made available presented a number of special challenges. First, to speed up disbursement, most of the money was provided through the Workforce Investment Act, which comes with certain limitations. For example, WIA's payments are geared toward goals such as entry into employment and job retention, giving providers fewer incentives to work with individuals who have very low educational attainment, limited English proficiency, or substance abuse issues.

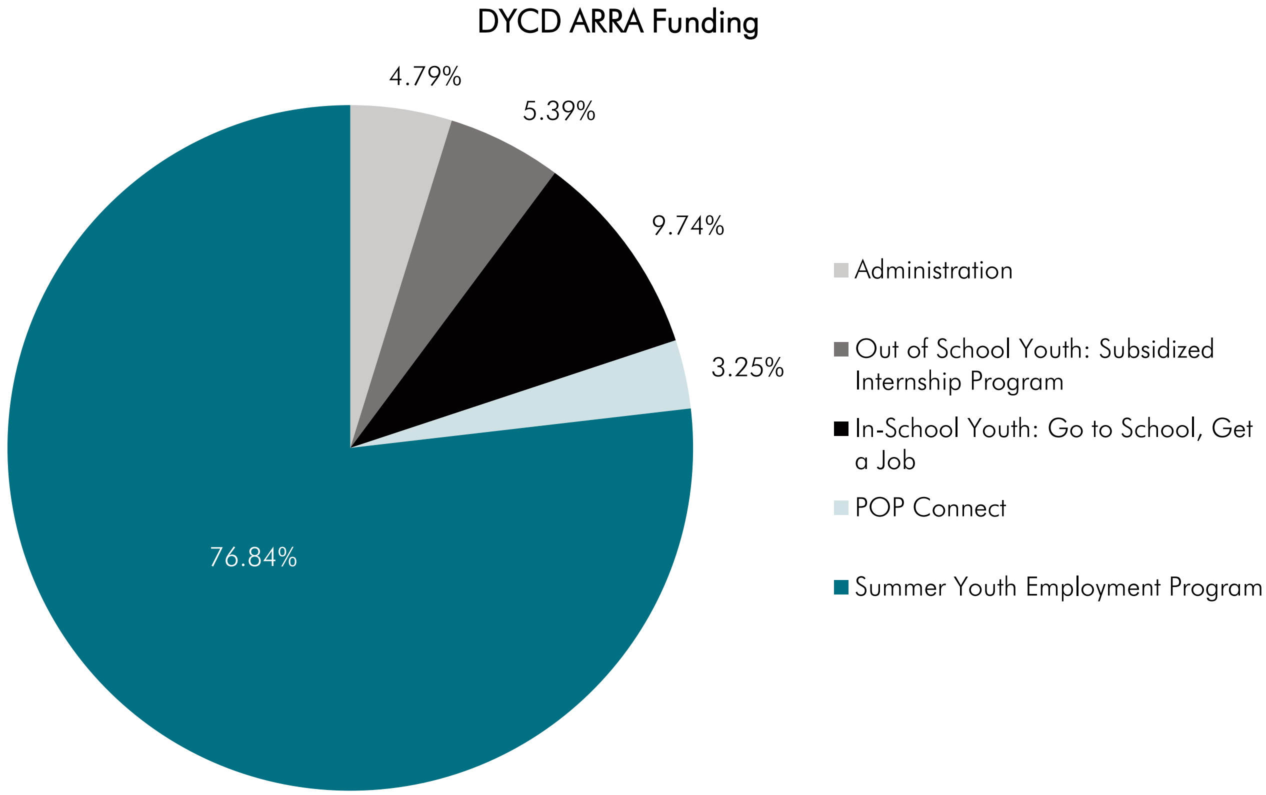
Even more challenging, the ARRA rules required all the money to be spent within two years, an already aggressive timeline that was sped up even more by state officials: at least 75 percent of the funds distributed through WIA would have to be spent in the first 12 months, they decided. The funding for youth programs was announced on March 23, 2009, and the funding levels for adults and dislocated workers were made available three weeks later. The city had 15 months to spend about $41 million before the fiscal year was over on June 30, 2010, and another year to spend down the remaining $22 million. There was additional pressure to move quickly because governors could reclaim and reallocate any non-directed funds by September 2010.

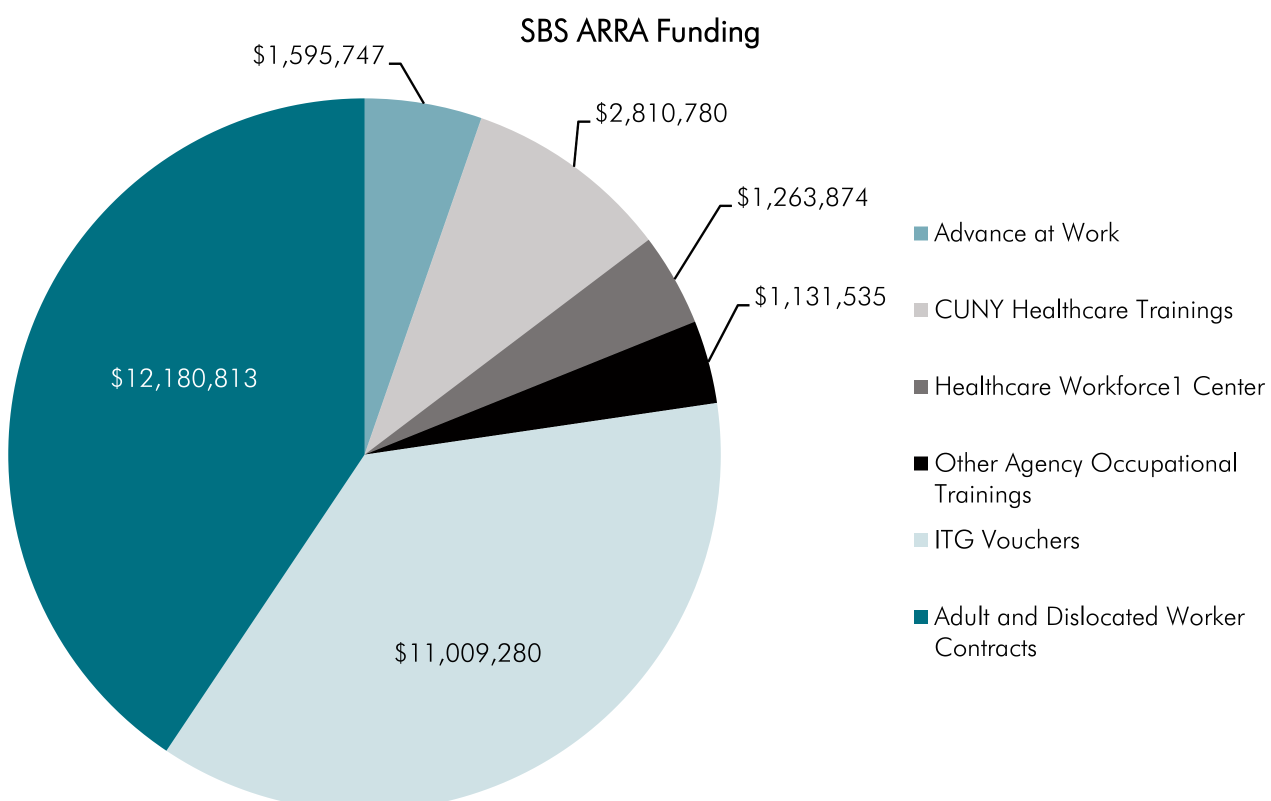
The deputy mayors and chiefs of staff began to corral ideas immediately. They looked to officials at the city's Workforce Investment Board, SBS and DYCD, as well as to officials in tangentially related departments like the Department of Education, the Parks Department and CUNY.

"We looked for any opportunity to engage with city agencies," says Angie Kamath, deputy commissioner for the Workforce Development Division at SBS. "We weren't willing to create a ton of new processes and turn everything upside down, because the funds were going away. So [we looked at] what infrastructure within our portfolio and programs can expand and contract pretty easily—that was part of our criteria. And we also looked for where we could fund innovation."



Source: NYC Independent Budget Office


DYCD ARRA Funding
4.79%
5.39%
9.74%
3.25%
76.84%
Administration
Out of School Youth: Subsidized Internship Program
In-School Youth: Go to School, Get a Job
POP Connect
Summer Youth Employment Program


SBS ARRA Funding
$1,595,747
$2,810,780
$1,263,874
$1,131,535
$12,180,813
$11,009,280
Advance at Work
CUNY Healthcare Trainings
Healthcare Workforce1 Center
Other Agency Occupational Trainings
ITG Vouchers
Adult and Dislocated Worker Contracts

ARRA WORKFORCE DEVELOPMENT PROGRAMS

New York City split the American Recovery and Reinvestment Act funding for WIA among almost a dozen different programs, several of which included multiple projects and/or service providers. For a more complete description of the programs, see the Appendix.

Summer Youth Employment Program

ARRA funding: **$41.9 million**
Primary Agency: **Department of Youth and Community Development**
Participants enabled by ARRA: **27,900**
The city added thousands of slots in its long-standing summer jobs program for youth, which provides subsidized positions across the city.

Community-based job preparation and placement services

ARRA funding: **$12.2 million**
Primary Agency: **Department of Small Business Services**
Participants enabled by ARRA: **2,568**
SBS contracted with community-based organizations around the city to provide job training, job placement and counseling.

Individual Training Grants

ARRA funding: **$11 million**
Primary Agency: **Department of Small Business Services**
Participants enabled by ARRA: **5,507**
WIA provides Individual Training Grants for job training, vouchers that a jobseeker can spend as he or she sees fit. ARRA dollars more than doubled the number of ITGs the city offered.

In School Youth Programs

ARRA funding: **$5.3 million**
Primary Agency: **Department of Youth and Community Development**
Participants enabled by ARRA: **2,796**
Funding supported the creation of a paid internship component to DYCD's existing In School Youth program.

Out of School Youth Programs

ARRA funding: **$2.9 million**
Primary Agency: **Department of Youth and Community Development**
Participants enabled by ARRA: **175**
With ARRA funding, DYCD added new slots to a program that provides training for disconnected youth and were also able to provide internships for participants in that program.

Specialized health care training

ARRA funding: **$2.8 million**
Primary Agency: **Department of Small Business Services/ CUNY**
Participants enabled by ARRA: **492**
SBS took advantage of a change in WIA's rules to contract with CUNY to offer three programs that provided training services around health care.

Parks Opportunity Program

ARRA funding: **$2.3 million**
Primary Agency: **Parks Department/HRA/SBS/DCYS/ DOE**
Participants enabled by ARRA: **255**
Two new transitional jobs programs were created with ARRA workforce funds, one to train electricians and one for disconnected youth ages 18-24.

Adult and Continuing Education

ARRA funding: **$1.8 million**
Primary Agency: **Department of Education**
Participants enabled by ARRA: **308**
The DOE supported its Office of Adult and Continuing Education, using funds to sustain their auto mechanic, culinary, Licensed Practical Nursing and computer training programs.

FDNY and DCA Occupational Trainings

ARRA funding: **$800,000**
Primary Agency: **Department of Small Business Services/ FDNY/Department of Cultural Affairs**
Participants enabled by ARRA: **104**
SBS funded two small programs with the Fire Department of New York to train EMTs and the Department of Cultural Affairs to train art handlers.

Advance at Work

ARRA funding: **$1.6 million**
Primary Agency: **Department of Small Business Services/ Center for Economic Opportunity**
Participants enabled by ARRA: **1,871**
ARRA allowed the city to continue a pilot program designed to help working poor individuals through training, career coaching, and promotion assistance to get better jobs.

Workforce1 Sector Career Center

ARRA funding: **$1.3 million**
Primary Agency: **Department of Small Business Services/ CUNY**
Participants enabled by ARRA: **N/A**
With ARRA funds, SBS fulfilled a plan to open the third Workforce1 Career Center focused on a specific sector, the health care center operated by CUNY's La Guardia Community College.

ARRA'S PERFORMANCE

The majority of ARRA dollars in New York City went to just three programs: the Summer Youth Employment Program, Individual Training Grants and contracts to community-based organizations to provide job training, job placement and counseling. In total, more than $42 million of the $63 million in extra WIA funds was invested in these programs, and the Summer Youth Employment Program received another $23 million from ARRA funded Community Service Block Grants on top of the extra it got through WIA.

With the remaining ARRA WIA money, the city expanded existing programs for out-of-school and in-school youth, created new transitional jobs programs with the Parks Department for welfare recipients, launched a new Workforce1 Career Center focused on health care, funded a program to help working poor employees advance at work, and more.

Without a doubt, the city did well in its handling of the most basic demands of ARRA: Getting the money out the door via the targeted programs in a timely manner. The vast majority of the money has been spent down as expected. It may seem like a low bar to cross, but it is worth noting because of the purpose of the stimulus act—to keep dollars circulating during the worst of the recession—and the very tight timetable that the funds required.

On the other hand, cutting checks is not necessarily the same as funding programs that have an impact. When announcing their plans, SBS said that ARRA funding would provide job training and placement services for 10,000 additional participants in its adult and dislocated worker programs. Similarly, DYCD estimated that it could use the extra money to add 17,000 additional slots for SYEP, internships and other programs. Did the agencies meet those targets?

ARRA funding for workforce development placed about 3,000 jobseekers in a new job through the CBO contracts, the Workforce1 Career Center and the CUNY cohort training program. For training, more than 5,500 individuals received an ITG voucher, and nearly 1,000 more were trained through the health care cohort program, the CUNY Health Scholars program, Licensed Practical Nurse pilot program, DOE's four adult and continuing education programs, and the ARRA-funded POP Sparks program. SBS's Advance at Work program helped nearly 1,900 individuals upgrade their jobs. By our calculations, more than 27,900 youth were hired for the Summer Youth Employment Program and another 3,000 received training and support through the expanded DYCD in-school and out-of-school youth programs.

That comes to approximately 11,400 additional participants in SBS programs and, with the addition of $23 million in Community Service Block Grants, nearly 31,000 additional slots in DYCD's programs.[10] Clearly, the city met its goal.

"I think [ARRA WIA] was remarkably successful in New York City, and I think the workforce system across the country showed up to perform to the task," says Philip Weinberg, the executive director of the New York City Workforce Investment Board, the entity mandated by WIA to set priorities for workforce policy and coordinate the activities of city agencies and other public and private sector institutions that receive government funding. "From the city's workforce system standpoint, we saw a tremendous return."

The vast majority of the other individuals we interviewed for this report also gave the city positive marks overall. At the same time, as we detail below, some people thought the city wasted a number of opportunities and could have focused more on innovations.

The Need for Innovation

There is another layer of analysis of the ARRA funding beyond reaching its participation goals. How much innovation did it encourage?

As noted earlier, the city's workforce programs have been improved in many ways over the last several years. But the job market has evolved as well and the field has continued to redefine what the best practices are in the 21st century.

For example, providers often struggle to serve jobseekers with serious barriers to employment, such as low skill levels, little or no work experience, or health issues. The system is also typically not designed for displaced mid-level employees—those who have moved up the ladder a bit but still need a hand finding a job. In the current economy, this group is larger than ever. Skills development has been another big obstacle: Right now, the workforce system is set up to help people find work, not to help them develop skills while on the job so they can move toward career-track employment with family-supporting pay.[11]

In the last several years, policy-makers have also come to realize the importance of building relationships with employers. In order to find the right job or provide training credentials that will have true market value, workforce programs have to have a deep appreciation for what it is that employers are looking for. For many programs, one solution has been to focus on specific sectors of the economy, both in order to locate recently created jobs and to account for specific industry trends. At its best, the workforce development system should be aligned and integrated with the city's economic development priorities.

But all these ideas require a workforce system that has broken down the silos between youth and adult services, welfare programs and non-welfare programs, K-12 education and college-level coursework New York has begun to connect the pieces that can provide a coherent collection of agencies and stakeholders to supply all the necessary components of an effective workforce system, but the level of collaboration and coordination is still insufficient.

Many of the programs operated with ARRA funds did not attempt to innovate at all. The Summer Youth Employment Program, for example, was run as it always has been, with little input from other agencies and a strong focus on high school kids. In many ways it was an ideal program for ARRA funds, because new kids could be taken on and placed in summer jobs without a lot of administrative hassle; the extra funds would go to pay their salaries, and a lot of employers were willing to take on more participants. "It was a structure already in place," says Rae Linefsky, a member of the Youth Council and a board member at the city's Workforce Investment Board. "There already were contractors that were ready, and [the city] looked to see who could handle more."

"It was simple for us to put a lot of [ARRA funding] towards summer youth employment because the message we got from D.C. through New York State was to spend it quickly and to spend it wisely," says Alan Cheng, DYCD's assistant commissioner of SYEP. "For us it was a way to spend it widely and it was the most effective use."

Not everyone completely agrees with that assessment. "We missed an opportunity to develop and model innovative programming," says Lazar Treschan, director of youth policy at the Community Service Society, a leading nonprofit research and advocacy organization that has published several reports about disconnected youth and issues facing low-income New Yorkers. "I think we had a chance to use some new dollars to make model programs to work with out-of-school youth that combine education and workforce development targeted to neighborhoods." CSS is part of the Campaign for Tomorrow's Workforce, which wrote an open letter to DYCD before the final choices were made on how to spend the ARRA funds. The group pointed out that more than 95 percent of the SYEP participants are in college or high school, and decried the lack of opportunities for disconnected youth. The group called for a quarter of the WIA Youth funds to be spent on out-of-school youth.

"A seven-week summer job is not really a way that the older youth reconnect. They're going to need more ways to reconnect," says Sierra Stoneman-Bell, the co-director of Neighborhood Family Services Coalition, which also belongs to the campaign. "I think while DYCD felt very pressured by the time frame, there was a lot of support and flexibility from the federal and state guidance that we thought they could have done something a little more creative."

Linefsky says, though, that putting money into summer youth employment was a good thing. "Summer youth employment was part of the lives of people," she says "Reduction of summer youth employment was like a rug pulled out from under lots of families." Stoneman-Bell says she doesn't entirely disagree. She's not against SYEP, just the lack of commitment to new programs.

On the adult side, the analogous program would be Individual Training Grants, WIA's primary mechanism for financing workforce training of adults and dislocated workers. About $11 million of the Recovery Act workforce funding went to ITGs; in fact, the original SBS estimates for the vouchers was $6.6 million, but when other programs came in under budget, the city added another $4 million in ITGs. All told, about a third of the SBS budget for ARRA WIA went to these vouchers.

The city has greatly improved accountability for ITG voucher training providers, and 90 percent of workers who receive a voucher complete the training it pays for. Critics say, however, that the vouchers do not come with enough supportive services to ensure the success of trainees and that the vouchers are insufficient to pay for the kind of long-term training that can make the difference in a worker's career. A study of Washington State Community and Technical College system students found that attending college for at least one year and earning a credential provides a substantial boost in earnings for adults with a high school diploma or less.[12] This "tipping point" can make the difference between low-wage work and a living wage, and is not being reached by New Yorkers who are given ITG vouchers.

Certainly, considering the aggressive timeline for using ARRA funds, working within established parameters to ensure a program would work makes sense. Even outside observers are quick to acknowledge that reality. "When there is a major influx of funds, there's usually a small window of time to complete spending," says Sara Garretson, the president of ITAC (Industrial & Technology Assistant Corp.), a nonprofit consulting and training organization. "They use their vendors and their existing relationships to distribute funding into communities. This ensures that things are relatively consistent, economically efficient and controlled, [but] there isn't time for creativity in how the funds are used."

Innovation in hand

Although the majority of the funds for WIA were spent on programs that could be called traditional workforce development in the city, there were also examples of innovation and collaboration. This was particularly true on the adult side, where the Department of Small Business Services used the opportunity to roll out several ideas and partnerships that had been held back by past cuts in funding. "We were able to reach people who weren't normally involved with our system," says SBS's Angie Kamath.

With ARRA funding, SBS was able to continue and expand Advance at Work, a program that allowed the workforce centers to broaden the range of participants to include working poor residents who want to move up in their jobs or find higher paying work somewhere else.

"Maybe you're not happy in your job. We need you back in the Career Center because maybe there are opportunities for you to find that better job," explains Alex Saavedra, vice president of programs at Seedco, a large workforce services provider and operator of two Workforce1 Centers. "[We can show them] how to promote themselves to their own employer, or how to navigate the resources out there. How do I plan my schedule so I can do what I need to do to make myself that next rung employee? Learning about that was the biggest benefit to us."

From the contract program with community based organizations, Grant Associates, a private consulting company that currently operates four Workforce1 Career Centers, created Career Plus to work with displaced workers who had been earning as much as $50,000 annually. Any Workforce1 Center could refer an applicant to Career Plus if they were well-suited—someone who had lost their job after a long period of employment, say, or someone who hadn't looked for work in years. Grant Associates worked with CUNY to develop special programming for working with this population and spent more time on preparing participants, including updating computer skills, a week of special interviewing and workshops on topics like personal branding and a 10-second elevator pitch.

Over 11 months, 600 individuals enrolled in the program, of which 346 found a job, a placement rate of 56 percent. The average hourly wage was nearly $20 per hour, almost twice the average at a standard Workforce1 Center. "We had always wanted to do an experiment working with people who have higher wages but who were needy nonetheless. They're not highly paid enough to get comprehensive help placement services, and they don't come to the typical Workforce1 Center," said Dale Grant, president of Grant Associates. "We had been discussing this with SBS, so, when ARRA funding became available, they gave us the opportunity to do just that."

Some of the most dramatic innovations were possible because of changes to long-standing WIA rules that were implemented with the Recovery Act. Arguably, the biggest of these changes allowed the city to start contracting directly with educational institutions rather than giving them ITG vouchers to develop programs on their own. "It was kind of amazing," says Shayne Spaulding, director of workforce initiatives at CUNY Central. "One of the issues with nursing is that there aren't enough clinical seats in degree programs, so money was used to expand the number of clinical seats and to pay for people to go to college. WIA never paid for people to go to college."

In the cohort health care programs at La Guardia Community College, the program had funding to screen candidates up front and conduct a pre-training course that prepared participants with contextualized adult literacy, one that led seamlessly into the health care training. The program also offered a "vestibule," which is a technical term for wrap-around services that include tutoring, mentoring and supportive services.

"The retention numbers have been excellent," Spaulding says. "It's all because of the screening they do, the pre-training they do, and all the retention services that are associated with the training. They had a lot of flexibility and the resources to design a highly supported model, and I don't think they could have done that with [previous] WIA funds."

Sandra Watson, dean of workforce development at La Guardia Community College, notes that the trainings and Workforce1 Center work hand-in-hand. "We've been working to make it a seamless system, so that the sales team goes into the training classroom early enough for the trainees to know that they have somewhere to go to get jobs once they complete training. That was the nature of the Workforce1 Healthcare Career Center. It was designed to be able to [also] provide training," she says. With its sectoral approach, the program at La Guardia is also able to ensure that the students are receiving training that will pay off with employment. For example, Watson's team was hearing that employers are looking for nurses to have training in geriatrics, pediatrics and phlebotomy—so those topics were added to the coursework.

"We were very fortunate to be funded by SBS, because it gave us the ability to develop the kind of curriculum that was needed that we could continue," Watson says. "[We had support from CEO and WIA in the past to get started] but I really do think that the stimulus money gave us an opportunity to develop our training system in a way that we wouldn't have been able to do."

On the youth side, a big change in WIA rules extended the age limit for participants, from 21 to 24. Increasing the age requirement to 24 allows DYCD programs to reach older kids who are both out of work and out of school and, in the case of the SYEP program, match them with summer jobs that could be the first step into next tier programs for successful participants. Additionally, a new partnership between the Parks Department and DYCD opened the out-of-school youth program to 14-to-24 year-old welfare recipients and provided them with a number of paid internships.

Collaboration

The new funding from ARRA did not produce a sea change in collaboration among the many agencies and departments that have a role in New York's workforce development system. There are still silos, and most workforce programs operate without being truly coordinated with other agencies. Even with an additional $41 million in ARRA funds for SYEP, for example, no effort was made to connect participants to other programs. Several workforce experts say that could have been particularly helpful for older kids who aren't in school during the year and don't have full time jobs.

However, from the start, the city did aim to use the Recovery Act funding to broaden the idea of workforce development in the city, and some of the smaller programs, like the trainings for the Fire Department and Department of Cultural Affairs are the results of that effort.

The Parks Opportunity Program expansion brought SBS, HRA, the Parks Department and CUNY together in ways that hadn't happened before. And the Adult and Continuing Education courses at the Department of Education created some new lines of communication between the DOE and SBS. A new GED referral program offered through the Workforce1 Career Centers with DOE, while not funded by ARRA, is a result of that collaboration. "That wouldn't have happened if we hadn't made the connections with DOE through the ARRA funded occupational training programs," says Matt White, assistant commissioner of planning and policy at SBS.

In a more substantial way, as was already established, the connection of CUNY with the workforce system was deepened by the ARRA-supported programs. "We met monthly with SBS, and that really provided an opportunity for us to collaborate on other things, to talk about other ways that we could collaborate with these two systems," Shayne Spaulding says. "We talked about how we can better connect the CUNY students to the Workforce1 Centers, and the idea of trying to find higher wage jobs. That's continuing."

WHAT DID WE LEARN?

The federal government is showing no signs of providing a similar infusion of funds for workforce issues anytime soon, certainly not with an accelerated "stimulus" timeline for implementation. And while more traditional federal funding for workforce support has been dwindling for years, the fall, while precipitous, will not have been as immediate as the end of the ARRA funds.

That said, there are aspects of the ARRA era that are useful to understand. The two years of Recovery Act funding served as a sort of stress test to the leadership, and there are some clear lessons from how the city decided to respond to the huge need for workforce development services brought on by the Great Recession.

The city can tap a relatively robust workforce sector. As noted previously, most of the dollars spent by ARRA on workforce development went to established programs that were operating when the Recovery Act was passed. The fact that these programs were able to successfully absorb having their budgets and accompanying expectations balloon so drastically, in such a short amount of time, shows that the city's existing workforce infrastructure has the capacity to reach a lot more participants if given enough funding.

The level of federal support for the city's workforce programs has been dwindling dramatically, even as the city has been reorganizing departments and investing more of its own money in new programs. For example, the total budget in 2011 for SBS's Workforce1 Career Centers was $17 million—that includes some

> "CUNY can offer higher level training, positions that really reach and stay in the middle class."

ARRA support, though not as much as 2010. Five years earlier, with fewer Career Centers in operation and less support from the city, the budget for that program was $21 million. The ITG program's drop in federal funding has been even more dramatic. In 2011, with stimulus funds still in the system, the program budget was $12.7 million, down nearly 40 percent from its 2006 peak of $21 million.[13]

"[The ARRA money for SYEP] proved that we have a really good system set up, and it proved that we have a lot of kids ready and willing to work," says the Neighborhood Family Services Coalition's Gigi Li. "It also shows the immense demand out there and that we could have used the federal support all along."

Note too that in the years that ARRA was operational, the city's workforce programs grew even in areas that were not funded by Recovery Act dollars. There are now nine Workforce1 Centers in New York, and the number of placements by that system has grown from about 17,000 in 2007 to more than 30,000 this year (when the unemployment rate was much higher). In Mayor Bloomberg's state of the city speech in January, he said that the goal will be to do 35,000 this year, in part by opening ten new Workforce1 Centers across the city.

There are seeds of innovation ready to sprout. Because of the sudden nature of the federal support, ARRA funds were almost exclusively spent on workforce programs that were already established or planned when the Recovery Act was passed. Seedco and most of the community-based organizations that contracted with SBS, for example, had already worked with the agency in the past. That is true even of the more innovative programs. Advance at Work was already operating when ARRA was announced, for instance, and SBS had done most of the planning to open the health care Workforce1 Center.

On the one hand, you could argue that ARRA funding was not really responsible for these innovative programs, since they were already more or less established. On the other hand, the fact that the city did have innovative ideas planned is a positive sign that the city's workforce system can continue to expand and innovate, if given the right amount of federal support.

"In some cases [ARRA] let us accelerate our implementation of strategies and programs, for example, a sectoral approach and the career enhancement program," notes Philip Weinberg from the WIB. "There are things that made sense as priorities for us that were given additional momentum and resources."

Workforce development can serve people who earn a little more. The current downturn provided a case study on the needs for working with dislocated workers who are higher up the career ladder than a typical workforce training participant—those with moderate job experience, a high school diploma, and an opportunity to earn slightly higher wages. With the wave of midlevel lay-offs during the recession, a flood of such jobseekers entered the market.

With the Advance at Work program and other CBO-led efforts, the system took significant steps towards serving this population. SBS finally got the opportunity to test out ideas and build relationships with employers who are looking for that kind of candidate. "We've realized that the system has a whole lot more potential. We've been able to break out of our shell in a way thanks to ARRA," says Angie Kamath.

CUNY is a strong partner for workforce development, and the city knows it. There is a rising interest in connecting workforce systems with the training capacity and links to higher education available at community colleges. Even before ARRA, the Department of Small Business Services had several programs connected to CUNY, but the collaborations that were undertaken on the basis of Recovery Act funds—including the health care Workforce 1 Career Center, specialized cohort trainings and the Health Professions Scholars program—has only strengthened the interest in working with community colleges.

"The relationship with CUNY is really multifaceted," says one SBS official familiar with ARRA. "I would say that they're probably the most important partner for this agency, in part because they can offer higher level training, positions that really reach and stay in the middle class."

For its part, CUNY reciprocates the interest. "SBS decided to invest a pretty significant amount of ARRA money on a few projects with CUNY, and that was a very big deal for us," says Suri Duitch, CUNY's director of adult and continuing education. "Programs where people earn a certificate and can use that to get a job or go further in a credit-bearing program that can lead to a degree: That kind of framework of a career ladder is an example of a direction we want to go."

Changes to some of the program parameters for the Workforce Investment Act had a big impact. As noted in the section on innovation, the city was quick to take advantage of several changes in what WIA allows: the ability to contract directly with educational institutions and a change in age from 21 to 24 for DYCD's youth programs. Both changes should be made permanent upon re-authorization this year. If they are, they could help city programs to broaden their mission to include more career path skills development and more outreach to older disconnected youth. The city's evolving relationship with CUNY, in particular, could prove to be a real game changer for the system.

With the federal Workforce Investment Act's rules and incentives shaping so much of what the workforce system is capable of, additional rule changes like these should be identified and encouraged.

The workforce system will sorely miss the support of ARRA. The unemployment rate in New York City is still at 8.7 percent. Although better than in many other parts of the country, that's a number that would have been considered unbelievably high as recently as three years ago. The city is still 90,000 jobs below the employment peak before the recession. Toward the end of 2010, there were still 96,000 New Yorkers who had been unemployed for longer than a year, and 62,000 who had been unemployed for longer than 18 months. The unemployment rate for those without a high school diploma still stood at 15 percent.

Yet in June, the ARRA funding runs out and with it a number of the most innovative new training programs will either end completely or suffer serious cutbacks. Only two of the six original training tracks in the CUNY health care cohort trainings will be continued in a substantially similar manner, for example. All the new CBO contracts for dislocated worker programs will be discontinued. Advance at Work is over. The ITG vouchers are back to pre-ARRA levels and are actually on hold until the summer.

SBS is working to keep some programs operational, including La Guardia's Workforce1 Career Center focused on health care, but because of declining federal support, the city is having to contribute more of its own money. Also, with work, the relationships with the CBOs can be maintained, and the lessons about operational changes in how ITGs are distributed can become standard, even if the funds for counseling and other wrap-around services aren't available.

"[The city's workforce development system] was expanded suddenly and massively with stimulus money, but then it faces a cliff," says Sheila Maguire, senior vice president for program effectiveness at Public/Private Ventures, a national research organization that focuses on workforce development issues. "That in and of itself is a dynamic that is a challenge."

For the Summer Youth Employment Program, the end of ARRA funding is already being felt. Since the application to SYEP was put online in 2006, application rates have sky-rocketed. Even in 2009, when more than $27 million in ARRA funding was supporting the program, demand far outstripped supply, with more than 87,000 applicants turned away. By 2010, with an overall budget drop of more than $16 million, more than 107,000 SYEP applicants were not offered positions. The Neighborhood Family Services Coalition has started a campaign in Albany to push for a dedicated funding stream for summer jobs for youth, which would also give the providers the lead time and momentum to plan a more robust system.

The strict reporting guidelines required by ARRA were too cumbersome… To ensure the money was being spent wisely, the federal government required extremely strict reporting rules, and as WIA funds came through Albany the state added another layer of requirements. Since the law was passed quickly, the federal Department of Labor was still providing new guidelines on how to produce the required quarterly reports in October of 2009.

Lianne Friedman, chief operating officer for the DOE's Office of Adult and Continuing Education, recalls how the new tracking requirements could delay program release. "In an effort to make sure things were track-able and accountable, systems had to be put in place," she says. "It's natural for things of this size across the city to take time to execute inter-department relationships."

Due to tracking requirements, money for the Adult and Continuing Education program was released late, after the programs were already under way.

The timeline for reporting was also extremely tight. By statute, quarterly reports were due ten days after the end of the quarter, and to allow for processing the state required data to be in its hands only four days after the end of the quarter. Because so many of the programs were run through other agencies, institutions and CBOs—in some case even subcontractors were used—complying with these rules could be extremely complicated and time consuming.

"The whole city's effort to keep the stimulus tracker has been so labor intensive. It's great that they're tracking information, but it requires a lot of time," says CUNY's Shayne Spaulding. For the Summer Youth Employment Project, Gigi Li, the co-director of Neighborhood Family Services Coalition, says, "There was an issue of how ready the providers were to engage in the in-depth reporting."

…and yet the level of transparency that was touted did not occur. One of the key features of the American Recovery and Reinvestment Act was supposed to be the ease with which anyone could see how the money was being spent, a nearly unprecedented level of transparency. The federal government even launched a website, recovery.gov, with interactive maps that cover everything from Recovery awards not started to recipient reported jobs by state, and the city's NYC Stat Stimulus Tracker was designed to use this and other data to clearly show how ARRA funds are being spent in the city.

However, it was not possible using these sources to get a clear picture of how the funds for workforce development were being used. Reporting requirements for the Recovery Act used the same template for all programs—from repairing the Brooklyn Bridge to providing job counseling to a dislocated worker—and so crucial basic context like how many students enrolled in the In-School Youth program were not captured. That means the federal site was at too-broad a level to truly discern what the workforce programs have accomplished, and of course Stimulus Tracker can say how much money has been spent, but not what the results have been.

To be sure, many officials were very clear on what the Recovery Act has meant for workforce development in New York and eager to provide help in our research. Even in those circumstances, though, it was often much harder to piece together what had been done and how well it performed than would be expected from a program that was supposedly a milestone in government transparency. To build on successes and keep the public informed of progress, clear and accessible data is key, and that standard has not yet been met.

RECOMMENDATIONS

Workforce development funds have been shrinking for decades. In the last ten years, federal WIA funds have dropped by more than 52 percent. In recent years, the city has invested more of its own funds into workforce initiatives but, according to the Independent Budget Office, will be pulling back support in the next three years. By 2014, the total budget for workforce programs at SBS are projected to be 50 percent smaller than the 2010 ARRA inflated budget and 36 percent smaller than the city's 2006 budget. Because of broad changes in the economy that require jobseekers to have advanced skills, a stubbornly high unemployment rate, and a growing population of young people who are neither employed or in school, New York needs more money for workforce training, not less.

Having passed the stress test posed by ARRA, the New York City workforce development system has shown that it is worthy of more funds. DYCD and SBS were able to resume sector specific training programs, offer internships to in-school youth, and provide career advancement help to working poor residents. Several of those initiatives will end now that ARRA funds have run out and future innovations will be put on hold indefinitely. Still, although it is what the system needs most, another dramatic increase in federal funding is unlikely to happen in the next few years—and, as it happens, there is still a lot that needs to be done even in the absence of more funding.

Below are a few, relatively low-cost recommendations for improving New York's workforce training system.

The Workforce Investment Act's pending re-authorization is the perfect opportunity to make ARRA's rule changes permanent. ARRA funds came with two important rule changes in the Workforce Investment Act: The ability for government agencies to contract directly with educational institutions instead of relying on ITG vouchers and a raise in age from 21 to 24 for WIA funded youth programs. Both changes have proved to be a success and should be made permanent upon WIA's reauthorization.

Continue to build partnerships with CUNY. CUNY is perhaps the city's most important partner for workforce training. Using WIA funds to create higher level workforce training courses at the city's community colleges will be a huge step forward, if ARRA's rule changes are made permanent. But in the meantime the city could also have the Workforce1 Career Centers invest more heavily in ITGs that could be used for customized training programs at CUNY institutions.

With limited workforce training funds going forward, the city should not emphasize low-touch, high-volume placement services over job training. Although it may be tempting to use limited funds to increase placement services at the city's Workforce1 Career Centers, SBS should be careful about doing so at the expense of innovative training programs. Programs like CUNY's cohort health care program provide participants with skills that can translate into a career, and as such they are not only a difference maker in people's lives but a significant investment in the city's economy.

The city needs to better coordinate workforce programs at SBS and DYCD with those operated by the Human Resources Administration and save money by reducing duplicate services. Some workforce development programs that aren't funded through the Workforce Investment Act remain completely disconnected from the city's primary workforce development programs at SBS and DYCD. Programs at the Human Resources Administration, for example, receive funding through Temporary Assistance for Needy Families (TANF) and other sources to support programs for public assistance recipients, sometimes duplicating programs housed in other agencies. There is no coordination, for instance, between HRA's job centers for TANF recipients and SBS's Workforce1 Career Centers. TANF recipients receive no work activities credit for visiting a Workforce1 Center, and information about clients is not shared between the two programs. In a time of extreme funding shortfalls, this sort of duplication needs to be addressed to maximize returns on workforce investments. In 2008, the Human Resources Administration spent $389 million to administer job training, education and placement.[14] By improving collaboration between agencies, the cost of these programs can be reduced or repurposed to eliminate redundancy while also enhancing services for those badly in need of employment services.

ENDNOTES

1. New York City Department of Small Business Services. All funds in 2011 adjusted dollars. http://www.nyc.gov/html/sbs/wib/html/about/WIBNotes_2010_06.html
2. Office of the New York City Comptroller, October 2010.
3. The city's Workforce Investment Cabinet is due to release a report that addresses several of these concerns.
4. U.S. Bureau of Labor Statistics. Numbers are for NYC, not metro area. http://www.bls.gov/opub/gp/pdf/gp09_29.pdf
5. Fiscal Policy Institute, "Briefing on Mayor Bloomberg's Preliminary FY 2011 New York City Budget," February 2010.
6. http://www.bls.gov/opub/gp/pdf/gp09_31.pdf
7. CBS/New York Times, "The Price of 10% Unemployment: Polling the Jobless" December 14, 2009. http://www.cbsnews.com/htdocs/pdf/Dec09a-Unemployed-All.pdf
8. Independent Budget Office of the City of New York.
9. Ibid.
10. With ARRA WIA, DYCD was able to add 15,500 new slots to its programs, slightly less than the 17,000 it had predicted.
11. A recent study commissioned by Wider Opportunities for Women finds that a single worker has to earn above $14 per hour or $30,012 per year to meet his or her basic needs without relying on public subsidies. And since that number is based on national averages for expenses, salary needs are even higher in New York City. See "The Basic Economic Security Tables," Wider Opportunities for Women, 2010. http://www.wowonline.org/documents/BESTIndexforTheUnitedStates2010.pdf
12. David Jenkins and David Price, *Building Pathways to Success for Low-Skill Adult Students: Lessons for Community College Policy and Practice from a Statewide Longitudinal Tracking Study*, Community College Research Center, Columbia University, 2005.
13. Independent Budget Office, "Analysis of the Mayor's Preliminary Budget for 2012," March 18, 2011, p. 52.
14. "Demands of the Time," Office of the New York City Comptroller, October 2008.
15. For example, pre-hospital care programs in the La Guardia Community College Division of Continuing Education in EMT and Paramedic had a 46 percent retention completion rate, while the wrap-around versions had 97 percent and 77 percent.
16. This program received additional ARRA funds outside WIA.

SUMMER YOUTH EMPLOYMENT PROGRAM

ARRA funding: **$41.9 million**
Primary Agency: **Department of Youth and Community Development**

The Summer Youth Employment Program, first created in the 1960s, is the city's biggest and longest-running program meant to combat youth unemployment. In 2010, the U.S. Department of Labor found that the unemployment rate among 16-to-24 year-olds was at its highest level since 1947. New York City has long ranked lowest in unemployed youth among the nation's 50 largest cities.

As SYEP's administrator, DYCD operates a lottery system to accept applicants and places them in entry-level jobs throughout the city. Participants are placed at a variety of private and public employers, including government agencies, hospitals, summer camps, non-profits, small businesses, law firms and museums. They work approximately seven weeks and earn $7.25 an hour through funds made available by the program.

Among New York City programs, SYEP received by far the most ARRA funds, $18.8 million through WIA and $23 million through Community Service Block Grants. However, because of spending requirements, DYCD spent a large majority of those funds in the first year, expanding enrollment from 43,113 in 2008 to 52,255 in 2009. In 2010, the money it had left over wasn't enough to offset a decrease in regularly scheduled funds, and both the total budget and enrollment fell below 2008 levels.

Traditionally, SYEP served students ages 14 to 21, but with ARRA the age limit was moved to 24. DYCD says that older participants—a small minority of the applicants—were placed in more private sector positions and the younger participants were generally placed in non-profits and public sector slots.

Trends in the Summer Youth Employment Program, 2008 – 2010

	2008	2009	2010	% change 08-09	% change 09-10	% change 08-10
Participants*	43,113	52,255	35,725	21.20%	-31.63%	-17.14%
Applicants*	103,189	139,597	143,169	35.28%	2.56%	38.74%
Applicants not offered positions	60,076	87,342	107,444	45.39%	23.02%	78.85%
ARRA WIA Funding**	$548,093	$18,186,710	$36,619	3218.18%	-99.80%	-93.32%
ARRA CDBG Funding**		$9,560,354	$13,563,400		41.87%	
Total ARRA Funding	$548,093	$27,747,064	$13,600,019	4962.47%	-50.99%	2381.33%
Overall SYEP Funding*		$67,500,000	$51,500,000		-23.70%	

*Source: *2009 and 2010 DYCD SYEP annual reports and DYCD SYEP website; **from IBO numbers for FY 09, 10, 11 respectively*

COMMUNITY-BASED JOB PREPARATION AND PLACEMENT SERVICES

ARRA funding: **$12.2 million**
Primary Agency: **Department of Small Business Services**

ARRA funding allowed the city to revive a practice that had been discontinued due to declining federal funds: For years, the city had contracted with community-based organizations to provide job training, job placement and counseling to jobseekers. These contracts allowed the workforce development system to provide services in different neighborhoods across the city, while taking advantage of those agencies' familiarity with local residents and businesses.

When the ARRA funding was announced, SBS decided to spend more than a third of its ARRA funds on these sorts of contracts and returned to many of its old partners like Seedco, the Fortune Society, and Grant Associates. "The community-based workforce developers in New York City were called to serve, and we were ready, willing and able at this critical time with so many New Yorkers out of work," says Eileen Reilly, director of workforce development at CAMBA.

By working with these third-party groups, SBS could spend ARRA funds quickly without building a new program within the agency. The CBOs were also better able to develop sector approaches—including health care, retail, and information technology—based on past experience and their relationships with employers. As a group, the CBOs were able to place 2,568 participants in new jobs as of March, 2011. All of these programs will end when ARRA funds run out in June.

<table>
<tr><th>ARRA Funded SBS Contractor</th><th>Type of Program</th><th>Location</th><th>Sector</th></tr>
<tr><td>Grant Associates</td><td>Dislocated Worker</td><td>Manhattan</td><td>Information, Professional Services, Social Services</td></tr>
<tr><td>Seedco (Nonprofit Intermediary)</td><td rowspan="10">Dislocated Worker</td><td rowspan="10">All 5 boroughs</td><td rowspan="10">Health care, Green Collar/ Energy, Transportation, Accommodations & Food Services</td></tr>
<tr><td>St. Nick's</td></tr>
<tr><td>Bronxworks</td></tr>
<tr><td>Chinese American PC</td></tr>
<tr><td>Gay Men's Health Crisis</td></tr>
<tr><td>CAMBA</td></tr>
<tr><td>Henry St. Settlement</td></tr>
<tr><td>Cypress Hills</td></tr>
<tr><td>Highbridge</td></tr>
<tr><td>Educational Data Systems, Inc.</td></tr>
</table>

ARRA Funded SBS Contractor	Type of Program	Location	Sector
Goodwill (Nonprofit Intermediary and contractor)	Adult and Dislocated Worker	Brooklyn	Health care
Per Scholars	Adult and Dislocated Worker	Bronx	IT
Fortune Society	Adult and Dislocated Worker	Queens	Retail
Non-Traditional Employment for Women (NEW)	Adult and Dislocated Worker	Manhattan	Construction, Green Collar
Cooperative Home Care Associates	Adult and Dislocated Worker	Bronx	Health care
Restaurant-Opportunity Corporation- NY (ROC-NY)	Adult and Dislocated Worker	Manhattan	Accommodations & Food Services

INDIVIDUAL TRAINING GRANTS

ARRA funding: **$11 million**
Primary Agency: **Department of Small Business Services**

WIA places great emphasis on allowing the worker to make his or her own choice for what to learn and where to attend classes. Individual Training Grant recipients receive vouchers from the city worth up to $3,800 to spend on training courses of their own choosing. ITGs were a natural outlet for ARRA funding because they allowed the city to increase spending sharply without creating new programs or adding new staff

ARRA allowed SBS to greatly increase the number of vouchers it issues. In 2007, for example, the agency issued 2,196 ITG vouchers totaling $5.3 million, and in 2008 it issued 4,656 vouchers for a total value of $11 million (see Table 1). However, with ARRA funds available, the total more than doubled in a single year, to 10,245 vouchers totaling $20.5 million and, in 2010, to 7,294 vouchers totaling $13.6 million. In all, 5,507 additional residents were able to receive work training vouchers because of ARRA. SBS's goal is to place at least 55 percent of recipients in a job via the Workforce1 Career Center, and according to our research that performance measure has been met in the last two years.

*Source: NYC Department of Small Business Services. **ARRA + WIA Funding*

To receive a voucher, a jobseeker has to first take part in an assessment session at a Workforce1 Career Center, and then choose from a list of approved occupations that lead to employment in high demand industries. For example, SBS will provide an ITG for $1,300 to learn graphic design, $2,200 to become a truck driver or learn delivery services, or $3,800 to learn how to be a bookkeeper or auditor. All told, there are two dozen professions that are supported within three cost tiers. Courses must lead to industry-recognized credentials, and the training provider must report performance to SBS on completion of training and job placement. Vendors that fail to meet certain performance levels become ineligible to receive ITGs. According to SBS, 90 percent of the people who receive vouchers complete their trainings.

IN SCHOOL YOUTH PROGRAMS

ARRA funding: **$5.3 million**
Primary Agency: **Department of Youth and Community Development**

The In School Youth program (ISY), run by DYCD, supports at-risk, in school youth while also granting them work experience. Through the ISY program, DYCD provides a wide variety of services, from career planning and college prep to needs assessments, project-based leadership, and tutoring. The year-round services are eligible for low-income, at-risk high school juniors and seniors and are provided by 72 contractors in all five boroughs. The aim is to ensure that participants graduate "from" high school, pursue a college education and develop career goals.

With the addition of ARRA funding, DYCD's ISY program enhanced its career planning services, adding paid internships for program participants. For qualifying applicants, the program—called "Go to School, Get a Job"—offered paid-internships for a period of twelve hours a week for twelve weeks during the school year. Through this new program, 2,207 students gained part-time employment, collectively earning more than $2.8 million.

Like other youth employment programs, the funds earned by students often passed directly into their communities and helped support at-risk families. Faisal Rahman, director of the Beacon and Work Readiness Programs at DYCD, says Go to School, Get a Job served as both an incentive to achieve in school and a safety net for families. Without a new funding stream the internship program will disappear after ARRA funds run out.

OUT OF SCHOOL YOUTH PROGRAMS

ARRA funding: **$2.9 million**
Primary Agency: **Department of Youth and Community Development**

New York City's population of out-of-school, unemployed young adults—and there are more than 200,000 of them—is generally underserved by existing workforce programs. Advocates often pinpoint this community as having the biggest gap in services, both in regards to demand for slots and the types of services offered.

DYCD contracts with community-based organizations in all five boroughs to provide services for this hard-to-reach population, including occupational skills training, assistance with job and college placement, GED preparation, support services and 12 months of follow-up services after completing the program. The occupational training is geared toward a variety of industries such as construction, food service, tourism, health care and retail.

With ARRA funding, DYCD was able to add an internship component to the CBO programs that didn't already have one—and for those that did, the agency was able to increase the number of available slots. Currently, 1,900 14-to-24 year-olds are participating.

For a community-based provider like FEGS, which had provided services to 67 out-of-school youth, the ARRA funding added another 30 plus slots. "A lot of the young people we work with have no work experience," says Courtney Hawkins, assistant vice president at FEGS. "Having the opportunity to have an internship gives them something to put on their resume. We have more than 100 internship partners, so we really try to keep a wide range so young people can find an internship they're interested in."

SPECIALIZED HEALTH CARE TRAINING

ARRA funding: **$2.8 million**
Primary Agency: **Department of Small Business Services/CUNY**

In this stumbling economy, health care is one industry that not only continues to grow but offers opportunities for workers to move up into better paying careers. In New York, health care organizations have added more than 85,000 jobs since the beginning of the decade.

Responding to this need, SBS focused two new programs on providing training and job placement services for health care workers: The first was a series of specialized training courses and the second a new Workforce1 Career Center dedicated to the health care sector.

Ever since the Workforce Investment Act was signed into law in 1998, WIA funds for workforce training courses have been disbursed through Individual Training Grants alone. But with changes to WIA rules in the Recovery Act, the Workforce Investment Board was able to contract with CUNY to create three training courses for health care workers: a cohort training course for unemployed jobseekers looking to move into careers as EMTs or registered nurses; a pilot program to help licensed practical nurses become registered nurses and advance in their careers; and a scholars program that helps defray the costs of further training as a nurse for 65 current CUNY students.

All three training programs have had better than average retention rates, but the cohort program, which has by far the largest enrollment, targets the most challenging population. Still, the program has had a retention rate that outpaces typical training programs, a result that CUNY attributes in large part to pre-training efforts and support services like mandatory study halls and individual meetings with case managers.[15] Upon graduation, the program placed 195 students in a job in the first year, with an average median wage of $15 per hour.

Year 1 Outcomes (some trainings still in session)

Training	Enrollees	In Training or Completed	Retention/Completion Rate
EMT	60	58	97%
LPN	65	46	71%
LPN to RN	20	19	95%
Medical Office	26	25	96%
Medical Office for English Language Learners	25	19	76%
Paramedic	30	23	77%
PCT: Primary Care Training	26	23	88%
PTA: Patient Care Assistant	13	9	69%
RN/ National Council Licensure Examination Prep for English Language Learners	20	20	100%
Total	285	242	85%

PARKS OPPORTUNITY PROGRAM

ARRA funding: **$2.1 million**
Primary Agency: **Parks Department/HRA/SBS/DCYS/DOE**

The Parks Opportunity Program (POP) is one of the largest transitional employment programs in the country. Transitional employment offers welfare recipients who need a lot of assistance in finding a first job with short-term, publicly subsidized jobs at a real-world work site along with support services.

Funded through the Human Resources Administration (HRA) by the State Office of Temporary and Disability Assistance, POP was created in 2001. Over six to 12 months, participants in the POP program maintain parks and playgrounds throughout the city while simultaneously receiving employment services, classroom training and career counseling. Since its inception, the Parks Opportunity Program has helped nearly 12,000 New Yorkers transition from welfare to work. The city notes that graduates placed in employment earn $10.44 an hour, 44 percent more than the state minimum wage, and the average salary earned by trainees placed in the private sector climbs each year.

Two new POP programs—POP Sparks and POP Connect—were created with ARRA funds (two other programs, POP Education Horticulture and POP Weatherization, also received Recovery Act funds through other outlets). The original POP program was a partnership between the Parks Department and HRA, but with these two new ARRA-funded programs, SBS, CUNY and the Department of Education also became involved.

The one-year POP Sparks program provides electrical training through City Tech, CUNY's College of Technology, and places participants at a variety of employers such as the Port Authority, Metro-North Railroad and Con Edison. Over six months, the 18-to-24 year-olds in POP Connect receive work readiness training, basic skills/GED instruction, occupational training, placement services and, once they land at a job, 12 additional months of follow up services. Because of ARRA, 31 participants took part in POP sparks and 400 participants in POP connect.

ADULT AND CONTINUING EDUCATION

ARRA funding: **$1.8 million**[16]
Primary Agency: **Department of Education**
Every year, the New York Department of Education's Office of Adult and Continuing Education enrolls about 40,000 low-income adults ages 21 and older in training courses. With the addition of ARRA funds, DOE supported over 300 slots in training programs in the auto mechanic, culinary, nursing and computer fields. In addition, program staff began to work with SBS to provide job placement services through Workforce1 Career Centers.

With ARRA funds, the auto program prepared 74 students to be auto mechanics with a focus on steering and suspension systems, brakes, and engine performance; the culinary program prepared 21 students in culinary baking and kitchen equipment operations; and the IC3 (Internet and Computing Core Certification) course prepared 53 students for the industry-recognized IC3 certification.

The largest of the programs, with 160 students funded through ARRA, was the Licensed Practical Nurse Program, a 10-month, full-time program divided into academic, skills development and clinical components.

FDNY AND DCA OCCUPATIONAL TRAININGS

ARRA WIA funding: **$800,000**
Primary Agency: **Department of Small Business Services/FDNY/Department of Cultural Affairs**

SBS also funded two small programs with the Fire Department of New York to train EMTs and the Department of Cultural Affairs to train art handlers. 77 EMTs were trained in a 12-week intensive course and 15 art handlers were trained.

ADVANCE AT WORK

ARRA funding: **$1.6 million**
Primary Agency: **Department of Small Business Services/Center for Economic Opportunity**

Advance at Work was a pilot program designed to help working poor individuals earning less than $14 per hour with training, career coaching, and promotion assistance to get better jobs. ARRA funding kept the program going for two years beyond an initial end date in 2008. But with ARRA funds now exhausted, the program was forced to close this spring.

Advance at Work evolved from a Seedco program launched in 2006. Program participants would meet with a career coach to identify transferable skills and devise a strategy for moving out of their current positions. They would also receive counseling on how to be promoted, how to rewrite a resume to market oneself, and how to access public benefits such as the Earned Income Tax Credit.

Based on a study conducted by the Center for Economic Opportunity, participants in Advance at Work were 3.5 times more likely to be placed in jobs than participants in other placement programs. In addition, they would work a greater number of hours in those jobs and earn on average $.50 more per hour. Many of the program's clients were workers who had found their current jobs through a Workforce1 Career Center and were informed about Advance at Work with an automated telephone call that checks in with clients after their placement.

Seedco's Francine Delgado says that it's a real shame the funds aren't there to continue the program. "With some intensive case management support and coaching around advancement this hard to serve population was able to achieve a better income and more self-sufficiency."

WORKFORCE1 SECTOR CAREER CENTER

Full amount allocated: **$1.8 million**
ARRA WIA Funding: **$1.26 million**
Primary Agency: **Department of Small Business Services/CUNY**

In 2005, the NYC Workforce Innovation Fund, a joint venture of the City of New York and the NYC Workforce Funders, a philanthropic collaborative, formed the NYC Sector Initiative. The City and private funders jointly funded the Sector Initiative, a four-year demonstration of sector employment projects in health care and biotechnology. "[SBS] learned about sector-based employment strategies through that initiative and decided that it was a good way to program a lot of their ongoing adult training programs," says Patricia Jenny, the program director for community development and the environment at the New York Community Trust.

SBS established the first sector-focused Workforce 1 Center focused on the transportation sector in Queens in June 2008, allowing Center staff to build a deep understanding and connection to a specific local industry with a strong potential to provide well-paying jobs. Since then, it has served 200 businesses and placed or promoted 3,500 individuals.

A center focused on the health care sector was supposed to follow soon after but was put on hold after federal budget cuts. With ARRA funding, SBS and La Guardia Community College went ahead with those plans. The Center identifies the hiring needs of New York-area hospitals, residential care facilities and ambulatory care centers, and provides participants with training and placement services to meet those needs.

In addition to $1.3 million in ARRA funds, the Workforce 1 Healthcare Career Center received $820,000 from the Center for Economic Opportunity in its first year. It had 229 placements in the health care fields in its first year, and is now being funded through WIA.

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