

# New York New Jobs

## Putting CUNY to Work

When it comes to helping companies big and small bring more jobs to New York City, there is good news and bad news. First the good: NYC has within its borders an economic development powerhouse.

The bad news is that it's CUNY.

It may be surprising to hear that the embattled City University of New York can provide the answers to some of the business community's most pressing problems. But the system already helps hundreds of employers and thousands of employees each year. And given the university's impressive record of moving immigrants and low-income people into working and middle-class jobs, it is clear that CUNY could shape the business climate of the next century, helping both companies and their workers make the most of the inherent advantages of doing business in New York City.

Unfortunately, CUNY has been hobbled by a fragmented system, political fighting, a lack of funding, and bureaucratic indifference. In dozens of interviews, business people, students, educators and researchers have related how CUNY's vast potential has gone unrecognized. They see how other states have used their public higher education systems to lure new business and design smart jobs development policy. And they wonder why we can't do the same here.

We're standing on a goldmine. It's time to start digging.

**THE SIGNS ARE ALL THERE. NEW YORK CITY HAS AN** unemployment rate high above the national average, tens of thousands of welfare recipients who must be moved into the workforce, and an alarming dependence on Wall Street's fortunes. The city must begin to develop a broad-based business development policy or face serious consequences.

One of the best ways to support employers is to help provide well-trained employees. It's one of those rare win-win situations: The company has a talented workforce to depend on. And employees get the skills to land a good job or a better position.

Many other states use their public college system to provide the customized skills training that employers need. These schools also help companies manage their business better, and they dig up data on local economic conditions designed to aid government and industry decisions. These three economic development tools—skills training, small business assistance and economic forecasting—are considered the most important functions public colleges can provide for businesses. These are programs that go beyond the school's main job of producing college graduates; they're specifically geared to help firms—and their employees.

CUNY already has programs in each of the big three. In skills training, companies like the New York Stock Exchange have sent employees to LaGuardia Community College for stenography classes. In small business assistance, light manufacturers are enrolling in courses at New York City Technical College to learn how the latest technology can improve profits. And in economic forecasting, the Borough of Manhattan Community College is helping downtown new media firms chart their future in the city's economy.

Big firms, capable of spending millions of dollars each year on job training, can take advantage of a stable of faculty experts in key growth sectors like management, health and telecommunications while providing employees the added benefit of a college degree for their investment. For small businesses, customized training at a public institution is the least expensive way to get the assistance they need to grow in a market that demands high skills to survive. These same small firms can also use CUNY-sponsored small business assistance centers to learn how to work smarter, as can new business owners looking for guidance.

*continued on page 2*

# Putting CUNY to Work

*continued from page 1*

**HISTORICALLY, CUNY'S MISSION HAS BEEN TO** provide access to higher education for all New Yorkers, including those who would otherwise find it difficult to move into the city's workforce.

This core mission should not change, but enormous potential benefits to business owners and students enrolled in the CUNY system remain untapped. Most big corporations are clueless about the services that CUNY provides, and many small companies can't cobble together the funding necessary to send their key staffers to CUNY for training. The system is so fragmented that it's virtually impossible to determine what services are available, even assuming work-absorbed business owners are willing to take the time to look into such things.

Much of the blame comes from a lack of support: from Albany, City Hall, even within the system itself. Most CUNY campuses have never made economic development a core part of their mission. Over and over, school officials told our researchers about the frustrations of running a promising business development program without help from government economic development agencies, CUNY's administration or even their own colleagues.

It is an unjustifiable waste. Throughout the rest of the country, public colleges have become the focal point of economic development efforts. In states like Iowa and North Carolina, where unemployment is almost nonexistent, colleges train an average of 15,000 private sector workers per year, subsidized by the state as a way of attracting new jobs.

But CUNY has never been viewed as a bona fide economic development agency by New York's elected officials and planners. There is no coordinated policy to capitalize on the system's inherent potential. And so business assistance and job-training programs—which actually turn a profit for most of the schools—have often been neglected, taken for granted and even attacked. Valuable state programs to link employers to schools have been funded, defunded, overhauled, handed off from agency to agency or killed outright.

**OVER THE LAST TWO YEARS, CUNY HAS BECOME** the site of one of the most destructive stalemates in New York City's political life.

On one side, the mayor is pursuing an agenda to end remedial classes at the senior colleges, a measure long pushed by conservative ideologues. On the other side are liberal academics and politicians fighting vigorously to save a 50-year-old mandate to make the system as accessible as possible to the poor.

This report is not intended to add to the voluminous and often misdirected body of bitter debate. Instead, we urge the combatants to view the system from the perspective of its students and the people who employ them—as the most important institution in the city for workforce and job development.

In light of these realities, the argument is simple. New York City needs a job training engine and the City University needs to rehabilitate its reputation. It's time that people stop fighting and start doing business. ♦

1

Introduction

3

Recommendations

4

Opportunity Knocks:  
Job Development at CUNY

New York City Technical College:  
What Works?

6

Scattershot:  
Fifteen Years of Wayward Policy

The Cost of Lost Opportunity:  
Bronx Community College

CUNY: A Brief History

8

Business Class:  
Building a Smarter Workforce

On-the-Job Training:  
What the Campuses are Doing

10

Where Credit is Due:  
Job Training Toward a Degree

11

Seeking Software Skills:  
A Q & A With Bruce Bernstein

12

Economic Intelligence:  
Collecting Critical Information

BMCC: Plotting Downtown's Future

14

Road Trip:  
What New York Can Learn From Other States

Raising Arizona:  
A Look at Maricopa County

# Recommendations

**Not every discussion about CUNY needs to be a cause for philosophical debate—or a cry for tearing the whole system down.**

The current debate over CUNY's educational standards and how the university should be governed is important. Certainly, the system could be better run. We must find a way to preserve the system's remarkable ability to move huge numbers of low-income and immigrant students into the mainstream economy. At the same time, though, we must be thinking about CUNY's role in the next economy. By 2010, according to the state Department of Labor, half of all jobs in New York State will require a college degree. And nine out of ten will require vocational training, something more than a high school degree.

Politicians and faculty members have quarreled their way through much of the late 1990s. Meanwhile, CUNY has missed a decade's worth of prime economic development opportunities. In a city with chronic unemployment, it has failed to provide enough workers for thousands of new technical jobs. Nor has it built a strategy for the lean days that most certainly lie ahead.

It is time for quarreling to end. Our public officials inside and outside the university must respond to the needs of the system's primary consumers—its students and their prospective employers. This means creating a comprehensive economic development strategy, built on a long-term campaign to better manage and fund this powerful institution. Other states have been doing this with great success for years now. It's time that we join the 21st century. Toward this end, the Center for an Urban Future proposes five first steps:

## 1 The City University of New York must appoint a Jobs Czar.

In dozens of interviews conducted for this report, business people and campus development officials stressed that CUNY must coordinate its jobs policy, harness its educational assets and capitalize on the successes of individual programs. When it comes to job training and building links with business, CUNY has no system-wide policy and no official whose sole responsibility is local economic development.

CUNY needs to appoint a Jobs Czar.

We are not proposing adding another layer of bureaucracy to an already confounding system. Instead, we are calling for the creation of one lean coordinating office charged first with identifying and promoting CUNY's jobs-oriented programs and then forging a vision of what the university could accomplish citywide. The office would provide technical support, lobby for increased funds and be an advocate for strengthening the system's future economic development efforts.

## 2 CUNY should turn its campuses into an integrated economic intelligence network.

Once the Job Czar's office is created, individual CUNY campuses will be able to capitalize on their location and academic resources by setting up small satellite job offices to collect information on the labor market, employer demands and significant business trends. Importantly, at least some of this intelligence should be collected through the campuses' continuing education departments, since these offices tend to be plugged in to the needs of working students and employers.

Centralizing accurate, up-to-the-minute information is essential for two reasons. It will improve the ability of the schools to create more employment-oriented courses. And the intelligence reports will provide a portrait of real job conditions useful to any number of people, including employers, educators, policymakers and nonprofits working on welfare and workforce development issues.

## 3 The state must establish stable funding for CUNY's jobs initiatives.

Based on the experience of other states, it is clear that any successful university-based economic development effort will need a stable source of funding. Iowa and North Carolina, two states that now have negligible unemployment rates, each spend more than \$20 million annually on training courses at local community colleges. In years past, New York State was lucky enough to have one successful funding stream on the books: the Employer Specific Skills Training Program. This low-cost training subsidy program was considered a model by other states and replicated widely. Unfortunately, former Governor Mario Cuomo made such funding a low priority and Governor George Pataki killed the program outright by consolidating it into a larger economic development fund. We recommend resurrecting the program, but attaching strict performance measurements to its grants.

## 4 CUNY should use its continuing education and job training classes to channel more students into degree programs.

Job training is important to New York employers, but nothing is more valuable to New York workers than a college degree. Here in New York City, we have a high concentration of multinationals that can afford to provide continuing education as a benefit to their lower level employees. The key is to design corporate training courses so they can be credited toward a degree. Currently, CUNY is home to at least two small programs that accomplish this goal admirably. Unfortunately, they are the exception rather than the rule. CUNY officials must encourage more collaboration between the credit and continuing education sides of the university in order to foster similar success stories.

## 5 City and state policymakers should integrate skills training and hiring goals into large business retention deals.

Every year, corporations are offered multimillion-dollar tax breaks to stay in New York City. While controversial, these deals are often necessary to keep large firms in the here. In 1991, the city negotiated a \$12 million tax abatement deal with Bear Stearns that compelled the company to establish a \$2 million dollar training fund that used New York City Technical College to train entry level workers from Brooklyn. The program has been a notable success. City and state officials should explore new ways to incorporate CUNY into future retention deals providing city residents with higher-wage jobs and improving the companies' access to well-trained workers.

# Opportunity Knocks

## Job Development at CUNY

### Results of a Campus-by-Campus Survey

FOR THE PAST SIX MONTHS, THE CENTER for an Urban Future has engaged in an intensive survey of economic development programs at all 17 CUNY undergraduate colleges. More than 110 interviews and site visits were conducted with campus administrators, business owners and government officials. The focus of the Center's field work was to figure out exactly what CUNY does offer New York employers in job training, small business assistance and market research.

Two things are now abundantly clear: With little of the traditional support that other states give their colleges for economic development efforts, CUNY has managed to build up a sizable number of effective programs. Virtually every campus has at least one or two efforts worth noting.

Unfortunately, they are so scattered and isolated, businesses seeking help would be hard pressed to find them. There are also effective employer-driven courses offered at CUNY schools in each borough, but few are connected in any way.

The City University is supposed to be an integrated system, and over the years the university has gained a reputation for having an unresponsive central bureaucracy. In truth, however, most campuses are fiercely independent and have significant autonomy when it comes to creating new programs. This fosters pockets of ingenuity and creativity—but also leaves anyone trying to discern how to use the system confused and lost. Clearly, any effective citywide business development program will require an office that tracks, coordinates and promotes the work of the individual campuses. Only then will businesses be able to easily take advantage of all that the system has to offer. Key observations include:

#### There is virtually no coordination among the 17 undergraduate campuses.

For administrators at individual campuses, working together on larger business outreach efforts is just not possible under the current conditions, leaving opportunities to share resources or learn from other programs unrealized. For employers, it means that even if they do know how to link up with their local college, it is virtually impossible to discover what's available elsewhere in the system. It took the Center's researchers months to get a systemwide portrait of business assistance at CUNY. It's hard to imagine any private firm devoting so much time and effort.

As a result of poor coordination, the volume and quality of business-oriented activity varies greatly from campus to campus.

Schools like LaGuardia Community College and New York City Technical College devote entire centers to business development efforts, each training more than 1,200 employees annually. Other schools, such as Bronx Community College, were once business assistance leaders but have since been hobbled by program funding cuts. Still others have few, if any, business-related programs. Each school has full autonomy to decide whether and how to pursue direct support for employers. Whether or not the school provides job development services depends entirely on the motivation of its leadership and staff.

Despite these obstacles, the sheer number of small, specialized programs offered is a surprise.

For example, special courses in English as a Second Language were created at Brooklyn College for Brooklyn Hospital doctors who had just arrived from Southeast Asia, while at New York City Technical College, highly specific training in underground welding was provided to Department of Environmental Protection workers as they finished the Brooklyn section of Water Tunnel Number Three. Classes like these were possible because campus administrators were flexible in using both in-house faculty and a stable of reliable consultants. The types of businesses that use CUNY for training are as varied as the courses, ranging from Bell Atlantic and Bear Stearns to aviation parts manufacturers and stationery suppliers.

When offered and promoted, both businesses and their workers eagerly use job training and business assistance services.

A decade ago, New York State sponsored a \$12-million-a-year worker training program, a third of which went to the city's colleges. Nearly 70 percent of participating employers cited improved quality of goods and services as a direct outcome of the training. The program, however, was phased out under the Cuomo administration and ended by Governor George Pataki. Across the city, college administrators report that the demand for highly-specialized job training has only increased. Business owners say they would use more New York workers if they could find and train them. Instead, they are being forced to look outside the state and, with increasing frequency, outside the country.

# New York City Technical College:

## *What Works?*

### If brought to scale, CUNY's employer-driven training courses could be profitable for the schools.

Campuses can charge fees for business training, providing a way to bring in needed cash and improve programs. Last year, according to our survey, CUNY trained at least 14,000 workers in programs where the employer footed the total cost. Nearly 70 percent of these employees were based in the public or non-profit sectors, but administrators believe that businesses would be just as eager to participate if programs were designed to meet their needs.

### CUNY offers a major advantage to employers and their workers: credit toward a four-year degree.

In most other states, two-year community colleges provide most of the business assistance. Here in New York, however, these programs can be found in both two-year and four-year schools.

Business assistance at the four-year colleges is a major asset for the system—and would be particularly useful to both employers and workers if it were expanded upon. Employers can benefit from the professional expertise provided through programs like Baruch's small business lab and Lehman College's health science program. More importantly, employers can often negotiate college credit for this training, putting their employees on the road toward a bachelor's degree and the increased earnings that go with it.

### CUNY is already contributing enormously to New York City's economy.

While CUNY's record in providing coordinated business assistance may be lackluster, it's important to remember how much the university offers to this city's workers. Every year the City University of New York puts some 20,000 graduates into the local economy, providing people with limited incomes a shot at a better-paying job.

City University, for example, is the city's largest source of computer science and engineering degrees. Baruch College is the fourth largest generator of business degrees for African-Americans in the country. And CUNY was the first university in the nation to open a Family College, a program that enables welfare recipients to study for an associate's degree while their children attend an elementary school located on campus. Such examples are legion.

Few will deny that CUNY has had a long tradition of helping those who most need better job skills and a higher education. The question is, can CUNY find the support to extend this mission? ♦

As its name suggests, New York City Technical College, known as City Tech, is one of CUNY's leading job-training and business assistance centers, with a strong set of programs at its downtown Brooklyn campus that many employers have come to rely on.

Tech provided more customized training than any other CUNY school last year: 1,659 workers benefited from either one-day or semester-long courses. Bell Atlantic has been sending employees to Tech for more than 15 years for desktop publishing, electronics and basic management skills. The Department of Correctional Services uses the school to teach city employees how to repair intricate jail cell locks. And New York Hospital asked Tech to design and deliver customized technical training for workers involved in restructuring the maintenance operations.

One of the campus' biggest business partners is the investment house Bear Stearns, which paid \$2 million into a fund for City Tech to recruit and train workers from Brooklyn for entry-level jobs in its MetroTech back office operation. The money was part of a 1992 deal negotiated under former mayor David Dinkins to keep the financial giant from moving across the Hudson. In exchange for \$12 million in tax exemptions, Bear Stearns agreed to establish a 10-year recruitment program through City Tech in which local residents are trained, placed in paid internships with the company and eventually hired full time. The City Tech partnership, by all accounts, has worked well, but linking CUNY to retention deals has never been seriously considered since.

In addition to job training, City Tech runs a small series of courses and programs for local entrepreneurs. Its Small Business Institute provides low-cost workshops designed to help new businesses in the MetroTech area. The Institute hosts programs like MADE-IT, which helps young women start up home-based businesses. The college's Manufacturing Resource Center is a place where local industrial companies can research and test out new machines and technology.

Even given all this, the fact remains that the school serves fewer than 1,700 students through contract training a year—a fraction of what local business leaders and CUNY officials say it could handle. So why aren't more businesses taking advantage of this?

One reason is that City Tech's business-driven mission is simply not on the public radar screen. The lack of support from both city and CUNY officials has not stopped schools like Tech from reaching out to local businesses, but it has made building their programs difficult.

One typical businessman who benefited from a CUNY training program at LaGuardia Community College said, "We never knew that CUNY provided this kind of training, but we're glad we found them because they're professional and cheap." Many at CUNY believe that increasing private sector use of the colleges is simply a matter of getting the word out. Says City Tech's Business and Industry Center Director Patrick Yanez: "We need more support to do a better job of marketing these training services to businesses."

# Scattershot

## Fifteen Years of Wayward Policy

### A Political History of CUNY's Business Assistance Programs

It's no coincidence that CUNY has no game plan for helping to improve the city's business climate. There's been little political or financial support to make such a plan work.

In other states, where jobs development programs have been a success, higher education and commerce department officials work together to come up with programs tailored to the needs of the current labor market. Unfortunately, similar attempts here have been stymied by political infighting, budget crises and poor communication between education and economic development officials.

The first serious attempt to link CUNY with a state jobs policy began in the early 1970s with a group of reformers interested in economic development inside the New York State Department of Education. In talks with company executives, they discovered that a lack of subsidized job training was one of the reasons companies left New York for other states.

The group came up with a training subsidy system, and convinced the legislature to fund their Employer Specific Skills Training Grant program (ESSTG), the granddaddy of New York State job training programs. The program's mission was to reach out to employers, find out their labor needs and then create customized training programs for their workers—mostly through local community colleges. Businesses paid approximately half of the cost.

By the late 1980s, the ESSTG had been built with state and federal grants into a \$12 million-a-year program, a third of which went to city colleges. In 1989 alone, public colleges trained more than 42,000 workers, about 14,000 of whom were employed in New York City.

The results were impressive. According to a 1989 state survey, nearly 70 percent of participating employers cited improved quality of goods and services as a direct outcome of the training. Only one out of ten trainees flunked out, and most of the workers said they had benefited through higher wages, greater job flexibility or promotions.

At the time, the program was very much about rapid response—a feature that was very popular with businesses. “We could make a commitment on the spot,” says Don Menzi, who was the program's New York City coordinator. “Within a day we could have pre-approval for \$20,000 to \$100,000 in training money.”

But the seeds of ESSTG's destruction were sown at its inception. From day one, the money was channeled through

the State Senate's powerful education chairman James Donovan, an upstate Republican. Donovan died in 1990, and the program perished shortly after. “The vulnerability was around how it was created. It had no constituency—it was Donovan's baby,” Menzi recalls. “Ironically, the Democrats never supported it. It worked for six or seven years, and then it died.”

Two years prior to ESSTG's demise, the Cuomo administration—eager to put a Democratic imprimatur on Donovan's program—created a similar training system through the state Department of Economic Development. Governor Mario Cuomo's incarnation was a clone of ESSTG called the Economic Development Skills Training Program (EDSTP). Cuomo increased funding to his program and let ESSTG die. But despite the governor's support, this new program was not long for this world. Prior to leaving office, Cuomo, faced with mounting deficits, chopped EDSTP funding nearly in half.

**CUNY'S WORKER TRAINING PROGRAMS HAVE** not fared better under the current administration. Governor George Pataki consolidated all training and assistance grants for business into a large pool of money that can be accessed by business for many needs, including capital improvement or expansion.

In some ways, the move has made the state's business assistance programs more efficient. Employers no longer have to wade through an alphabet soup of assistance programs; they can one-stop shop at one of the state's 10 regional offices run by the Empire State Development Corporation.

But replicating anything like the ESSTG program, where CUNY officials were able to quickly distribute training dollars to qualified businesses, has not been pursued. When questioned, Pataki administration representatives say they are willing to send individual training grants CUNY's way, but campus officials claim that even this more restricted funding has been virtually impossible to obtain.

An informal survey of campuses applying for the new state grants found that on average it took five and half months to receive a grant—in some cases it took as long as a year. Campus officials say the time lag makes state economic development assistance impractical—even impossible—to use in their efforts to build productive consulting relationships with local businesses. Researchers at the Center for an Urban Future were told a half dozen stories about business owners infuriated by the months-long waiting period they experi-

## The Cost of Lost Opportunity: Bronx Community College

Bronx Community College should be an economic development star.

The campus certainly has the advantage of a good location. It sits along a busy corridor on the border of the South and Central Bronx, serving a neighborhood full of small businesses and retail establishments. It has close relationships with the local high schools—one is situated right on its 53-acre campus. And the staff's enviable fundraising apparatus netted \$16 million in educational and economic development grants from federal, state and private foundations last year, the highest total of any two-year college in CUNY.

But in terms of providing customized training or assistance to outside employers, BCC's once-stellar reputation is fading fast. Last year Claude Grant, the school's well-regarded director of the Business and Professional Development Institute (BPDI), was able to assist a total of nine companies in the training of 150 employees, nowhere near the number of firms BPDI was designed to serve.

In 1986, former Bronx Community College President Roscoe Brown recognized that local employers were struggling with an under-educated population that lacked basic skills in English, math and computer literacy. In addition, there were few management-training programs in the area, a resource that is often essential for leaders with small businesses looking to grow. Brown established BPDI and brought on Grant.

In its heyday during the late 1980s, the Business and Professional Development Institute was pulling down more than half a million dollars annually, mainly from the state Employment Specific Training Program. In 1988, the program trained some 800 employees at 150 businesses. Grant assisted a variety of employers, ranging from the large Bronx hospitals to small local manufacturers.

Employers who have used the program say that one of the benefits was that they could retrain and promote workers from within their company. Employers prefer to bring their own people up through the ranks, if they can, because it's often a better bet than trying to acclimate a totally new

enced after having chosen CUNY over for-profit training consultants. According to our survey, most campus officials no longer bother to apply for state grant money for fear of permanently losing their business clients.

State funded job training is not the only economic development program at CUNY shortchanged by the Pataki administration.

Among the first Cuomo administration projects the governor killed when he took office in 1995 was a young program called the New York State Strategic Training Partnership (NYSTP). Created a few months before the 1994 election, NYSTP was an attempt to link disparate development efforts at CUNY, the state Education Department, the state Department of Economic Development and the state university system.

The program would have channeled employers to the state or city university campuses best suited to provide the training or technical assistance they needed. It also would have forged a much-needed network to share information spanning the state. Best of all, the program would cost nothing—it was simply a matter of shifting resources. Still, Pataki left the plan on the drawing board.

**A FEW MONTHS AFTER NYSTP'S DEMISE, ANN REYNOLDS,** CUNY's former chancellor, embarked on her own attempt to improve business assistance. The result, released in late 1994, was the Workforce Development Initiative (WDI), which was supposed to foster innovation and eliminate redundant training programs from campus to campus.

"There was a hell of a lot of duplication out there," says Ronald Berkman, who was dean of academic affairs under Reynolds. "A lot of the schools were doing the same training—some very well, others very badly. What we wanted to do was to weed out the bad ones and reward the good ones. Basically we wanted CUNY to start acting like a system."

So far, elements of WDI have survived. It is currently funding 12 economic development projects, including Baruch's acclaimed Small Business Lab and the Borough of Manhattan Community College's Institute for Business Trends Analysis. But important elements—including the system wide planning initiative and the elimination program duplication—never happened for want of additional funding.

Today, there is no systemwide coordination of business assistance or worker training programs, although the campuses have tried to compare notes by holding quarterly meetings of something called the CUNY Quality Consortium. Even this modest effort has foundered. After a while, a staffer hired to promote the effort burned out, and the last meeting, held in December 1998, attracted only four development officials. The fact that so many people have tried to attack this issue shows that business assistance is important—and that there is real potential for success. Their failure should not be the final note. ♦

employee to a tough job. But often the workers that these employers found in the Bronx lacked important skills, like the ability to read or communicate clearly. Bronx Community College provided that help at a discounted rate, helping to improve the wage prospects of hundreds of employees.

According to Oliver Lednicer, CEO of Krusman/Redweld, the customized training his employees received from BPDI over the years kept him from moving his company out of town. Redweld produces the accordion envelopes that lawyers carry under their arms. The firm employs 250 people, mainly Latina women from upper Manhattan and the Bronx. "New Jersey offered me \$1.2 million to move, but I decided to stay because I have spent ten years building a highly skilled workforce right here," he says. "Bronx Community College is primarily responsible for that." In addition to the 250 living wage jobs, Redweld pays more than \$1 million in taxes a year.

Lednicer, like many employers interviewed by Center researchers, was unaware of CUNY at first, but eventually was won over by the quality of the school's programs. "I had trepidations about using them," Lednicer admits.

# CUNY

## A Brief History

Created by the state legislature in 1961, the City University of New York was born from a loose confederation of local schools known as the New York Municipal College System. Today, CUNY is the largest urban educational system in America, with nearly 200,000 students enrolled in its graduate school, law school, medical school, eleven senior colleges and six community colleges.

Until recently, this sprawling system's unifying ideal was maximum access at the lowest cost to students. CUNY's first school, City College, was founded in 1847 as the Free Academy and was established to provide a high-quality education at no charge to anyone seeking to learn. Since 1970, when CUNY adopted an open admissions policy, New York City high school graduates have been guaranteed admission into the system. The university charged no tuition until 1976, when the city's financial crisis forced local officials to begin charging for classes.

The university still reflects the diversity of the city's working classes. Today, nearly half of the system's students were born abroad. Almost two-thirds are working adults. Eighty-two percent have an annual household income below \$50,000 and 42 percent have a household income below \$20,000. Seventy percent of degree students receive some form of financial aid.

In addition to its academic programs, CUNY offers continuing education classes to another 155,000 students. These programs are almost all aimed at helping people find better jobs through skills enhancement, literacy programs, ESL classes and training for certificates in careers from taxi drivers to dietitians.

"But the work was excellent."

Many businesses, especially small firms on tight budgets, are willing to build and keep their companies here in New York, but they will not make an investment without some incentive. Those incentives have largely been cut by the Pataki administration.

As a result of state funding cutbacks (see "Fifteen Years of Wayward Policy," above), BCC's Grant has been forced to lay off nearly all of his BPDI staff and is now unable to go out and recruit new businesses for the program. Moreover, Grant, like many interviewed for this report, has given up trying to obtain the slow moving Pataki employer-training grants. "I was working with a company in Hunts Point that we had a good 10-year relationship with. I submitted a grant in February 1997 and did not receive approval until March 1998. The company kept calling me and I kept calling Albany to no avail," Grant says. Ultimately, the company received the grant, he says, but other clients have given up in disgust, opting to forgo the training or use private trainers. It's no way to do business, he says.

# Business Class

## Building a Smarter Workforce

THERE'S NO DOUBT ABOUT IT. WORKFORCE training will be one of the most important issues facing employers and their workers in the coming years. As the city moves into the 21st Century, more and more employers will need people who are custom trained and have the skills to think on their feet. Staff who meet the demands of this new workplace can expect better jobs, higher wages and greater job security. If the goal is to train large numbers of people to meet the needs of the new economy, there are few institutions better suited for this than CUNY.

Certainly, there are plenty of private outfits offering workforce training, but the high cost is often prohibitive for growing businesses on a tight budget. And for better funded institutions, the university offers the advantage of its sheer size.

At one campus or another, CUNY offers a wealth of different programs ranging from literacy training and computer skills to precision manufacturing and total quality management. And many colleges feature at least some small programs designed to meet the needs of the local business community.

Some are tailor-made courses suggested by industry representatives looking to increase the pool of talented entry-level workers in their field. Others are classes run for—and paid for—by the employer. The best of these programs give academic credit for the classes they take, often providing workers the first steps they need toward getting a college degree [see “Where Credit is Due,” page 10].

These programs have a record at CUNY of teaching workers skills that lead to better jobs. And they provide employers with a workforce capable of competing in New York's fierce marketplace. Unfortunately, these business-oriented programs are a relative rarity, given the size of the system. And when such programs do exist, they are all too hard to find.

CUSTOMIZED JOB TRAINING IS A RELATIVELY new area for public colleges, but they are becoming involved in the field because the demand from businesses has exploded in recent years. In the rapidly changing global economy, it's hard for companies to predict what they'll need from their employees month-to-month, or even week-to-week. That uncertainty warrants highly specialized training courses for firms that are changing a product line, expanding into a new labor market or

improving the skills of their existing workforce.

A 1999 Commerce Department report commissioned for Vice President Al Gore's Summit on 21st Century Skills for 21st Century Jobs found that 57 percent of companies nationwide increased the amount of on-the-job training they used during the 1990s. Currently, employers are spending more than \$40 billion annually for training. Small businesses are in especially desperate straits because they often find training costs prohibitive.

Today, about 90 percent of the country's community colleges offer customized courses on campus or at an employer's site. Typically, these classes constitute about 10 percent of a college's coursework—a small but key part of a schools' course offerings. These classes are the nexus point for colleges to assist business, provide college degrees for employees and foster a cross-fertilization between faculty and employers around current skill needs.

In New York, the need for this training is particularly acute. The Queens Economic Development Corporation has begun the first extensive poll on the topic since 1985, querying more than 300 employers ranging from airline executives to small manufacturers. Repeatedly, owners say they would prefer to hire locally, but often cannot because people in the borough lack basic customer relations and computer skills.

State Department of Labor officials note that law, accounting and engineering firms—well-paying businesses that serve the New York City's largest corporations—are also desperately looking for people trained in business skills. The demand is so great, government researchers no longer bother to track it, says the Department of Employment's Dr. John Evansohn. “At this point, the need is a forgone conclusion.”

RIGHT NOW, CUNY IS MEETING SOME OF these needs—but its vast potential remains untapped. A phone survey conducted by the Center for an Urban Future found that last year CUNY trained 14,859 workers through such contract training with employers. However, the vast majority of those trained—nearly two-thirds—worked for government or nonprofit agencies. Correctional training programs at CUNY's John Jay College of Criminal Justice, for example, accounted for almost 7,000 of these contract training slots.

Altogether, CUNY provided customized training for only 4,488 employees in the private sector [see “On-the-

If the goal is to train large numbers of people to meet the needs of the new economy, few institutions are better suited to do this than CUNY.



## On-the-Job Training: What the Campuses are Doing

Job Training,” on the right]. Some of these programs taught workers the basics of writing, math and computer literacy; others offered advanced course training in areas of precision manufacturing, advanced computer programming and growth management. The most convenient were quick-hit sessions delivered in a day or two at the employer’s offices.

Interestingly, this work takes place at both the two-year and the four-year colleges. This is important because, in theory, that means businesses could take advantage of a four-year school’s degree coursework, helping their workers earn credit toward an all-important Bachelor’s degree. Unfortunately, virtually all private training was administered through the campuses’ continuing education departments and offered without credit. This, in part, is because the academic side of the university has resisted requests to design degree-oriented coursework for businesses. The Center’s researchers found a number of companies looking to buy longer training courses for credit opted for the non-credit departments instead because the academic side was unable or unwilling to meet their needs.

WHILE CUNY’S CURRENT TRAINING EFFORTS are notable, the system could be doing much more. There are a few reasons why CUNY has not made the grade, and virtually all of them can be addressed with little or no money added to the system.

First of all, at every campus except for Lehman College there is a firewall between the business-friendly continuing education departments and the academic departments. This is unfortunate, because given the need for high-skill training, many workers could benefit from a flexible, career-oriented degree program. And many employers would be willing to pick up the tab.

Second, worker training is not a high priority for small and mid-sized businesses—the ones that could benefit most from the productivity improvements such training provides. These business owners need to be convinced and offered training subsidies. While the state does offer such subsidies, they aren’t run through CUNY and they don’t take advantage of the system’s inherent potential.

Finally, the system needs vision, leadership and support from the city’s and state’s top public officials—only then will the business community buy in. Mayor Rudolph Giuliani and Governor George Pataki should be salesmen, pointing out what the system does well while legitimately pressing for higher standards and system-wide reform. Instead, they are waging an ill-focused campaign against the campuses that leaves the public with the impression that CUNY is in disarray and cannot be fixed. Such backward thinking will do little for New York’s business community and the workforce these employers depend on. ♦

This spring, the Center for an Urban Future conducted a phone survey of CUNY’s 17 undergraduate campuses to determine how many workers were trained through classes fully subsidized by New York employers. The result is the first comprehensive listing of courses designed for employers. The following chart details how many employees were trained in businesses, nonprofits and government agencies in 1998.

*An additional 1,000 workers received training that was at least partially subsidized by their employers through programs at the College of Staten Island, Medgar Evers College, City College and Queens College. Colleges not listed below reported no contract training in 1998.*

### Custom Designed Training 1998

	Private	Public	Nonprofit	Total
<b>Community Colleges</b>				
Borough of Manhattan Community College	115	330	0	445
Bronx Community College	270	0	0	270
Fiorello H. LaGuardia Community College	624	696	210	1,530
Kingsborough Community College	0	0	26	26
Queensborough Community College	205	0	265	470
<b>Senior Colleges</b>				
Bernard M. Baruch College	164	143	40	347
Brooklyn College	0	0	485	485
College of Staten Island	60	365	0	425
Herbert H. Lehman College	50	0	350	400
John Jay College of Criminal Justice	50	6,950	0	7,000
New York City Technical College	1,784	50	145	1,979
Queens College	1,166	54	262	1,482
<b>Totals</b>	<b>4,488</b>	<b>8,588</b>	<b>1,783</b>	<b>14,859</b>

## Where Credit is Due: Job Training Toward a Degree

### A Closer Look: Reaching Up

Health care employs 370,000 people citywide—12 percent of New York City's workforce. With managed care and privatization, changes in the field are occurring more rapidly than ever. Job training is not a luxury, it's a necessity.

Responding to this, the nonprofit Reaching Up designed a health and human services college credit training program with CUNY's central headquarters at 80th Street. The ten-year-old collaboration was set up by John F. Kennedy Jr., the founder and editor-in-chief of *George* magazine. The collaboration seeks to improve the skills and wages of direct care workers, a low-paid workforce responsible for tending to the needs of thousands of sick or needy city residents.

Reaching Up works closely with the major hospital and human service employers, along with unions and the workers themselves, to provide needed training.

To do this, program director Bill Ebenstein assembles industry representatives and CUNY professors to design new curricula tailored to the industry's training needs. Workers are offered these credit courses tuition-free, with the tab picked up by employers, unions and various foundation grants.

It's a triple win, Ebenstein says. The employers get better workers and less costly turnover. The employees move up and can work toward a degree. And, importantly for Kennedy, a vocal advocate for vulnerable people like the mentally retarded, it improves the level of service these workers offer.

The university-wide public/private partnership costs about \$2 million a year to train about 1,000 people. The only problem with the effort is there is only one in the CUNY system; it has proven difficult to replicate in other business sectors. Such efforts require dedicated staff time and no one else at CUNY does this work. The university must create and staff up more of these employer-driven course sequences. Marlene Scovronick, director of the Worker Education Center at Medgar Evers College says, "To create this, you need someone like a Bill Ebenstein. You need people pushing for this, and that just isn't happening." ♦

The City University of New York has an edge when it comes to employer-driven training: its credit departments.

When it comes to job training, CUNY has plenty of competition from private consultants and schools. But unlike typical vocational training providers, it has a degree program. For workers looking for increased salaries and better prospects, a degree can make all the difference in the world.

According to the Rand Corporation, the single most important factor in determining how much a person earns is level of education. A recent Commerce Department study noted that workers with a college degree earned, on average, 77 percent more than those with a high school degree. Importantly, those taking degree courses as they continue to work see their earnings increase proportionately.

The report added that college training also greatly increases both job security and marketability. Displaced workers with a high school diploma typically have to spend twice as long looking for work as those with a two-year degree. After being laid off or fired, educated workers frequently move on to higher paying jobs; the opposite is true of high-school educated workers. "Employers recognize that a more-skilled and educated workforce performs better," the report notes. "And they reward those skilled workers in a variety of ways."

Most of CUNY's employer-driven programs are not for credit. However, the system does have models of customized 'degree' training in two of the largest economic sectors in New York: health and telecommunications. These partnership efforts show how well the system can work—and how much more of this work CUNY needs to do.

unprecedented in a system where such a review typically takes four years.

The program has since been expanded to campuses in three boroughs. Some 350 Bell Atlantic employees are enrolled at Queensborough Community College, Bronx Community College and New York City Technical College with the company footing the bill for tuition, laptop computers and additional seminars. Bell Atlantic set up similar versions of the program at 29 other colleges throughout the Northeast. It is now a national model, cited at a White House ceremony this past winter.

Importantly, Next Step worked because the participating campuses were willing to be flexible in designing their course offerings and degree programs. This pliancy, unfortunately, is rare at CUNY—faculty members often resist the influence of outsiders. At the moment, there are no similar programs in the works, although New York City Technical College's Yelena Melikian is hopeful this will change. "CUNY is becoming more entrepreneurial every day," she says. "The way to survive as an institution is to link up with industries. This is the way to go and it should be a priority." ♦

### A Closer Look: Next Step

One of the most sophisticated examples of CUNY's degree training is a program run for Bell Atlantic called Next Step. Designed in collaboration with the Communications Workers of America union, Next Step goes beyond skills-specific courses to provide students a telecommunications associate's degree. And it's all underwritten by the company.

The program was created in 1995 in response to heightened competition in the deregulated telecommunications industry. The telephone company decided to try to improve customer service by creating a new team of what they called "super technicians." Company officials met with then-Chancellor Ann Reynolds to see if CUNY could design a training regimen that would also provide degrees for workers. Reynolds liked the idea and shepherded the curriculum through CUNY's course review process in less than a year—

Next Step

# Interview

## Seeking Software Skills

Q & A with Bruce Bernstein

Few people know more about the connection—or lack thereof—between CUNY and business than Bruce Bernstein. As president of the New York Software Industry Association (NYSIA), a trade association with 170 member companies, Bernstein knows firsthand that the city's software development and new media sectors need more technically trained CUNY grads and an increased capacity to retrain workers in specific programming skills.

To prime the pump, Bernstein helped start a CUNY student internship program for his members, which is co-sponsored by NYSIA and IBM. But he says this isn't nearly enough to meet the growing needs of New York's software industry. The following interview was conducted by the Center for an Urban Future in the Flatiron-district offices of NYSIA.

*CUF: What's the biggest problem faced by the computer services sector?*

BB: The workforce. Getting enough skilled people to do necessary jobs for expanding companies. The sector is developing so rapidly, it's adding jobs at a rate of over 15 percent a year. And these are high-paying jobs across the board, \$69,000 per year is the average. You name it, we need it: programmers, database analysts, network administrators, computer support technicians, people who do repairs, tech support and help desks—basically everything.

*CUF: What role should CUNY be playing?*

BB: The system is already the biggest supplier of computer science graduates in the city. CUNY's four-year schools are turning out over 50 percent of the homegrown programmers, 650 to 700 computer science and electrical engineering degrees per year. Let's turn out more. My industry needs about 2,000 new programmers a year and right now we'll take as many as the system can turn out. We need to gear the system up to meet the employer needs, like the California state colleges have done.

*CUF: How should the community colleges get involved?*

BB: They're a perfect vehicle for short-term employment training and skills upgrade. I have companies calling to say that they have a real shortage of people with a certain, very specific skill set—and they need them by next week.

The community colleges can provide very, very specific technical training in a narrow area that's just not possible to teach in a four-year program. Those sorts of things are best learned in condensed, boot camp, immersion-type programs. An employer should be able to call up a campus and get a CUNY professor to teach a specialized training class in a CUNY classroom in C++ or Java, or, for that matter, even more specialized skills, like Lingo programming or ColdFusion.

CUNY is the one of the only institutions in the city that can do that at a reasonable price from an employer's viewpoint. The community colleges are also valuable because there are a lot of jobs in the industry that can be handled with a two-year degree: quality assurance personnel, website designers, network administrators.

*CUF: So what's holding the system back?*

BB: First and foremost, a lack of resources. There isn't enough hardware and software to teach the kids properly. I know this from personal experience. For four years, I taught a database design class at Queens College, and I had to bring the students up to a conference room in order to project the software onto a screen. This is basic equipment. There should be computer projectors in each classroom. In well-equipped schools, the ratio in the classroom is about two or three kids per computer, and the students work along with the professor while he or she teaches. At Queens we had two computer labs for hundreds of students. And it was very difficult to get the software that was needed. I had to do a special budget request just to get Microsoft Developers Studio, a programmer's tool that any programming department should have.

*CUF: What needs to be done?*

BB: Apart from increasing funding, CUNY needs to coordinate what's going on at the individual campuses into a system wide strategy. A lot of the programs in place are good programs, but they need to be expanded—the industry needs the workers. What we really need is for the system to build more organic links to businesses—in a word, partnerships. ♦

City University of New York (1998). "Investing in New York's Future: The CUNY Portfolio." New York: CUNY.

Davis, Bob and David Wessel (1998). "Prosperity: The Coming 20-Year Boom and What it Means to You." New York: Random House.

Dougherty, Kevin J. and Marianne F. Bakia (Fall, 1999). "Community Colleges and Contract Education: Content, Origins and Impacts." New York: Teachers College Review.

Dougherty, Kevin J. (1994). "The Contradictory College: The Conflicting Origins, Impacts, and Futures of the Community College." Albany: SUNY Press.

Grubb, W. Norton and others (1997). "Workforce, Economic, and Community Development: The Changing Landscape of the 'Entrepreneurial' Community College." Berkeley: National Center for Research in Vocational Education.

The Institute for Business Trends Analysis (1998). *Downtown Business Quarterly* Vol. Issue 3. New York: Borough of Manhattan Community College.

Iowa Department of Economic Development (1998). "IDED Workforce Development." Des Moines: Iowa DED.

Jacobs, James (February, 1998). "Macomb County Annual Economic Review and Forecast 1997-1998." Macomb: Macomb Community College.

Lane, Fredrick S. and Madeline Wing Adler (October, 1991). "Finance and Reform: Education in New York State." New York: Howard Samuels State Management and Policy Center.

McDonald, Heather (Summer, 1997). "Gotham's Workforce Woes." New York: *City Journal*.

Melikian, Yelena (1997). "An Industry/Education Collaborative Model." New York: New York City Technical College.

New York Academy of Sciences (May 1999). *Tri-State Trends: Vital Signs of Technology*, New York City: NYAS

New York City Department of Employment (June, 1995). "New York City Employer Survey." New York City: Department of Employment.

New York State Comptroller (September, 1998). "New York's Higher Education Policy Vacuum." Albany: Office of the State Comptroller

New York State Department of Labor, Division of Research and Statistics (December, 1998). "Occupational Outlook and Wages, New York City." Albany: DOL.

The State Education Department (1990). "Employer Specific Training Program." Albany: State Department of Education.

U.S. Department of Commerce (January, 1999). "21st Century Skills for 21st Century Jobs." Washington DC: US Department of Commerce.

# Economic Intelligence

## Collecting Critical Information for New York

By Kevin J. Dougherty

Across the nation, community colleges are helping their local politicians respond to quickly shifting business needs. Can CUNY sharpen New York City's job development policy?

All cities need quality, up-to-date information about economic conditions. Are entrants to the labor market finding good jobs? Does industry have access to a well-trained workforce? Is capital readily available for businesses to expand? Which markets and sectors are ready to boom and which ones are bordering on bust?

Since the late 1970s, many cities have been finding these answers at their public community colleges. These small, flexible institutions have long collected information on economic trends. But recently they have built on this role and become local economic policymakers and even catalysts, working actively to create and shape local responses to those economic trends. The best of these schools not only react to business needs, but also help to anticipate the future, monitoring the general economy as well as the labor markets for particular industries.

This economic intelligence gathering takes various forms. It includes collecting local economic data, often by polling business leaders, government officials and labor unions on the current state of the local economy

Macomb Community College (MCC), located in an industrial suburb of Detroit, has been pioneering economic intelligence and policymaking since 1985 through its Center for Future Studies. Reaching far beyond traditional in-class education, the community college combines intensive polling of business leaders with locally tailored research data to determine areas

of growth and potential trouble spots in the area's economy. MCC now matches targeted economic research with its traditional educational mission. As a result, the local auto industry has come to rely on Macomb Community College for both economic forecasting and graduates trained to fill the jobs of the moment.

At CUNY, the Borough of Manhattan Community College has engaged in similar kinds of work with the downtown business community and new media sector. (For details on BMCC's Institute for Business Trends Analysis, see below.)

It makes sense for community colleges to play this role. Public colleges are often welcomed as major actors in local economic development efforts, whether as providers of employee training, sources of small business assistance, or participants in local economic planning. Despite receiving public funds, community colleges don't readily arouse business's frequent distrust of government. In fact, many firms seek community college help in the form of customized employee training and small business assistance. At the same time, labor unions tend to see community colleges as neutral on labor and management issues.

Nonetheless, there are some very real dangers in transforming CUNY into a full-fledged economic development actor. As a college deepens its connections to local business, it may come under increasing

12

## BMCC: Plotting Downtown's Future

New York's financial district is already booming, but staff at the Borough of Manhattan Community College think they can get the bulls to run even faster.

Early in 1997, at the behest of Carl Weisbrod, president of the Alliance for Downtown New York, the college began collecting and publishing key economic indicators of interest to downtown businesspeople. BMCC created the Institute for Business Trends Analysis and its publication, the Downtown Business Quarterly, to track trends in areas such as employment, real estate and transportation for the Wall Street area.

BMCC is one of a growing number of community colleges nationwide looking to use the expertise of their professors to provide up-to-the minute local economic information and plot the most efficient ways to encourage job growth. This valuable

“

Public colleges are reacting to the needs of businesses, helping anticipate their future by monitoring both the general economy and the labor market of particular industries.

”

pressure to alter its curricula or economic reports to suit employer desires. Also, a wholesale commitment to economic development can steal enough administrative time and energy to leave remedial and transfer programs rudimentary. Schools must always remember that their primary function is to provide a comprehensive education, and not just job training, to students. Moreover, job training should be oriented not just to meeting employers' immediate needs but also to the long-term career needs of students.

In order to safeguard CUNY's larger mission, the community colleges could consider appointing an ombudsman or high level administrative officer whose main task is to ensure that the job-training programs complement, or at least do not undercut, the academic programs and long-term needs of students.

That said, if efforts such as the Center for Future Studies at MCC and the Institute for Business Trends Analysis at BMCC were replicated across the entire CUNY system, it could provide city and state development officials and interested nongovernmental groups with clear, practical, up-to-the minute economic development intelligence. And that would benefit both students and the people who employ them. ♦

*Kevin J. Dougherty is a sociology professor at Manhattan College in the Bronx and a senior research associate at the Community College Research Center at Columbia University. He has written widely on the role of higher education in economic development.*

information helps the colleges anticipate the needs of businesses, helps businesses understand industry trends and helps city planners think about how to improve the local economy.

At BMCC, the institute does more than just gather numbers. With the aid of industry-specific focus groups, the college is able to get a fuller picture of what is needed. The first focus group, concerning downtown's new media sector, gathered professors in three departments from the college with experts from computer information services, graphic arts and corporate television. Their discussion was so fruitful that the school organized CUNY's first new media curriculum. To fund the program, BMCC received one of eight \$280,000 grants issued to community colleges around the country from Microsoft and leveraged another \$500,000 from the National Science Foundation.

As high-tech companies expressed concerns about finding affordable

space, BMCC partnered with Bear Stearns and the New York Investment Fund to create a low-rent New Media incubator, where firms could access the school's technical assistance. When Fiterman Hall opens next fall, the fourteenth floor will provide affordable space, business development services, access to venture capital and a wealth of networking opportunities provided by the various investors in the project. In addition, project sponsors are eager to include BMCC students and faculty in the educational climate the start-up can expect to benefit from.

BMCC's ability to muscle into the Wall Street area of Manhattan, providing useful economic research and charting new growth strategies, is testament to the big 'think' that business can receive from colleges. With CUNY campuses dotted throughout the five boroughs, a smart and decentralized economic development approach throughout the city is imminently doable.

# Road Trip

## What New York Can Learn from Other States

In New York's higher education system, assisting the business community is a sideshow. In other states it's the main event.

Unlike CUNY, the public university systems in places like Arizona, Iowa and North Carolina have become the state's lead economic development agencies. Not coincidentally, many of these systems exist in regions of the country that have experienced the greatest job growth in the last decade.

CUNY's campuses currently provide on-the-job training to about 14,000 workers, most of whom are employed in the public sector (see "On the Job Training" on page 9). But public college systems in other parts of the country have gone far beyond training current workers—they are actually helping to create jobs by offering training as an incentive for companies to expand or relocate to the state. These states realized decades ago that public colleges can generate new jobs by offering companies something besides simple tax abatement deals.

To work, a local college system must be recognized for its business outreach, developing an effective and far-reaching communication network with employers. Equally important is reliable funding for the college's economic development efforts. And, of course, it all starts with respect from public officials for the colleges and their capabilities—something sorely lacking here in New York.

In North Carolina, the community college system has become the place to go for industry-specific training, supplanting the state's economic development agencies. Since 1995, when the legislature designated the colleges

as an official arm of the state's Department of Commerce, nothing in North Carolina's job-training universe happens without community college involvement.

The system offers customized training to any company that will create 12 or more jobs for North Carolina residents. Hundreds of companies a year take advantage of the subsidy, adding thousands of jobs to this state's booming economy. Last year, more than 22,985 employees were trained through the state's 58 community colleges in fields such as data processing and manufacturing.

Although the North Carolina system does hold valuable lessons, it's also true that some are not applicable to CUNY. Its schools have become so focused on economic assistance that some critics charge that academics have fallen by the wayside, something that would simply not be acceptable at CUNY.

But no one knocks the collegiate program at the community colleges in Phoenix, Arizona. Its system is comparable to CUNY, geared almost exclusively toward academics with many students going on to four-year institutions. Unlike CUNY, however, Phoenix's Maricopa Community College system has created a powerful economic development division.

Since the early 1980s, the Maricopa system has used a special state funding line to pick up the tab for customized job training, largely in the high-tech and manufacturing sectors. The first major firm to sign on was John Deere, which has moved all of its corporate training to a Phoenix-based campus. Among the other companies that now use the training are semi-conductor giants Motorola and Intel.

14

## Raising Arizona

Since 1992, Phoenix's Maricopa County Community College system has used state funding to subsidize customized job training, largely in the well-paying high-tech, manufacturing, business and financial sectors. Over the last five years, the college system has trained more than 14,000 county residents for new jobs in the software, semi-conductor, food processing and transportation industries.

### *the* strategy

Maricopa County higher education administrators work closely with the city's 13 economic development agencies and business groups, selling the community colleges as an integral tool for local jobs development.

### *the* contact

A company official contacts local economic development officials looking to move into the state or expand operations.

The Greater Phoenix Economic Development Council arranges a meeting with relevant city officials along with the banks, utilities and community colleges.

### *the* meeting

### *the* picture

Community college officials play a major role at this meeting. They explain job training options. They outline conditions in the business's sector, citing the skill level of the workforce, average wages and typical benefit packages.

Arizona spends about \$6 million a year on the program, which has trained more than 14,000 city residents for new jobs in the software, heating and ventilation, machinist and automotive technology industries over the last five years. Pleased with the quality of the teaching program, the companies themselves created a \$2 million scholarship fund for the local colleges designated toward training entry-level tech workers. The result: a doubling of enrollment in two-year degree programs for high-tech majors.

Two factors have been crucial to Arizona's success. One is the state's dedicated funding, which provides a steady, predictable resource stream for the program. The other is the care that school administrators have taken to form partnerships with all 13 of the city's economic development agencies and chambers of commerce, allowing the system to become a central economic development agency. When a business contacts one these partners, the community college is immediately called in to provide assistance or background information about the local workforce. And their programs are often integral in convincing a new business to come to town.

In Iowa, innovative financing is key to its New Job Training Program. Largely because of this uniquely funded state program, corn-fed Iowa is fast making its reputation as a prime business destination. This year, Iowa will train more than 10,000 people for new jobs through its community college system.

Since the program was created in 1983, more than \$300 million has been raised through its innovative jobs-

based bond financing program. The money has been used to train nearly 100,000 Iowans for jobs in the high paying manufacturing and high-tech fields.

Here, a company seeking job training will contact officials at the local community college who then assess what the company needs and what the costs are likely to be. The district then sells bonds to pay for the training. Payroll taxes of the new employees are diverted out of the state's general revenue fund to pay off the debt. Iowa has also built in a key accountability measure: A college official evaluates the health of the company in advance to try to ensure that the firm will be able to create the jobs promised.

From all accounts, the system works. Since its inception, only four percent of the deals have defaulted on the bond—a very high success rate.

Notably, each of these state programs share a commitment to training local residents for the highest paying jobs the region can attract. Businesses in low-wage sectors like retail and telemarketing are not even considered for job training benefits. By offering skills training exclusively to firms that pay a living wage, these states encourage development in sectors that most benefit the local workforce.

If New York City wants to provide jobs for the people who live here, officials should begin looking at alternatives to the simple tax abatement strategy. Policymakers could benefit from a road trip to one of these economically diverse states. ♦

## the pitch

Officials pitch the educational benefits available through the colleges' Workforce Recruitment and Job Training Program. They include new employee recruitment, customized training and links to industry partnerships housed at the colleges. The program also features a pool of \$5 million in recruitment and job-training subsidies which businesses can apply for.

## the sale

If the business agrees to pay at least 25 percent of the costs associated with the college services, college officials shepherd the application through the state's Commerce Department.

After the application is approved, the Office of Business and Workforce Development helps the company manage the project, offering to train new workers and set up employee recruitment services.

## the service

## the results

In the last year, 14 companies that were assisted in areas of high-tech, manufacturing and business services created 1,976 new high-wage jobs in the Phoenix area.

## New York/New Jobs Advisory Board

Kenneth Adams, Brooklyn Chamber of Commerce  
Bruce Bernstein, New York Software Industry Association  
Adam Friedman, New York Industrial Retention Network  
Sara Garretson, Industrial Technology Assistance Corporation  
Mark Levitan, Community Service Society  
Matt Mitchell, Industrial Technology Assistance Corporation  
James Parrott, Fiscal Policy Institute  
Ira Rubenstein, Environmental Business Association  
Patricia Swann, Leap Inc.  
David Sweeny, Greenpoint Manufacturing and Design Center  
Kathryn Wylde, New York City Investment Fund

## New York Forum Board Members

Hon. Stanley H. Lowell  
Hon. Julius C.C. Edelstein  
Dr. Michael Kahan  
Dr. Walter Goldstein

The Center for an Urban Future is a policy institute dedicated to aggressively pursuing solutions to the most critical problems facing cities.

New York/New Jobs is a project of the Center. Funders include the Annie E. Casey Foundation, Bankers Trust Foundation, New York Community Trust, New York Foundation and the Taconic Foundation.

This report was published in conjunction with the New York Forum and written by Neil Scott Kleiman with Glenn Thrush and Carl Vogel. Additional research was provided by Laurie Shoeman and Drew Kirizaides.

Kim Nauer, Executive Director  
Neil Scott Kleiman, Director  
Jonathan Bowles, Research Director

For more information call (212) 479-3353  
or visit our web site at [www.NYCFuture.org](http://www.NYCFuture.org)