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Commentary/Op-Ed - December 2014

Fulfilling the Promise of the Jobs for New Yorkers Task Force

CUF workforce fellow David Jason Fischer calls the final report by the Jobs for New Yorkers Task Force the “most ambitious workforce reform effort ever undertaken by an American city,” and in this commentary, he provides his own observations and recommendations for how the city can fully capitalize on the possibilities of this moment for positive change.

by David Jason Fischer

Over the last decade, workforce development programs in New York City began to deliver stronger performance, as the number of New Yorkers placed into jobs through city-run programs skyrocketed from a few hundred to tens of thousands per year. Despite the progress, however, there was little evidence to suggest that those served made lasting progress toward self-sufficiency. It became clear that the city’s workforce development system’s problems were as much philosophical as operational: however well they functioned, programs that mostly placed people into low-wage work with dim advancement prospects simply didn’t have the right goals.??

The final report of Mayor de Blasio’s Jobs for New Yorkers Task Force, released last month, solves this problem by articulating a workforce vision focused not on quantity of jobs, but quality of careers. The proposed Career Pathways framework to help workers advance toward middle-skill positions should benefit jobseekers and employers alike. Low-wage workers will receive support through outreach to help them access benefits and services, and collaborative engagement with low-wage employers to shift their practices.

Finally, the report urges the city to build a true workforce system, in two respects: long-siloed workforce programs will now operate with one set of outcome metrics and a shared database for customer information, a change that should improve the user experience, and a “First Look” hiring program will leverage economic development activities by requiring firms doing business with the city to consider candidates from public workforce programs for their job openings.??

The report calls for the most ambitious workforce reform effort ever undertaken by an American city. Bringing its vision to life will require equally unprecedented collaboration and commitment from city agencies, service providers, and outside partners. This commentary addresses key questions around implementing the Task Force’s recommendations, as well as workforce

system governance and funding. Before delving into the specifics, a disclosure: I provided compensated editorial services to the final report of the Jobs for New Yorkers Task Force.[i]

Implementation concerns?

In a knowledge economy such as ours, the true value-added, from both an individual and public-finance perspective, isn't placing someone into a low-wage position, but helping her onto a true career path. For this reason, the change in the mission of New York City's workforce system is appropriate and necessary.

To achieve that change, however, will require smaller adjustments almost beyond count. Just as the Task Force report observed that the status quo workforce system is not configured for today's labor market, New York City's major workforce agencies are not now configured to prioritize job quality. Within these agencies, staffing decisions and organizational charts, employer engagement and customer service protocols, annual and supplemental allocations, formal and informal processes for evaluation and review all remain geared toward the old goal of putting as many customers to work as quickly as possible. I suggest the following steps:

The key agencies—the Department of Small Business Services (SBS), Department of Youth and Community Development (DYCD), and Human Resources Administration (HRA)—and related institutions with a significant role in the workforce system, such as the Department of Education and City University of New York (CUNY), should undertake comprehensive internal reviews of staffing and organization, and set specific plans for what must change in support of a mission shift from quantity to quality. Given the new focus on coordination, the agencies should conduct these reviews in close collaboration, with an eye toward avoiding redundancies and building complementary capacity. The Office of Workforce Development (WKDEV), created by Mayor de Blasio in April, can play an important facilitating role in this effort.

Just as the agencies must restructure in service of the new mission, so too must the provider organizations that directly deliver services through contracts with city agencies. From citywide nonprofits with nine-figure annual budgets to tiny community based organizations that might serve one hundred clients per year, providers largely have run their programs to meet the old system goal of maximizing placements, irrespective of quality. These mission-driven organizations eventually might thrive under the new focus, designed to deliver greater value to the clients they serve—but they will need time and technical assistance to make the transition.

The Task Force report has commanded attention mostly for its stepped-up commitment to training and proposed new linkages to economic development, particularly the "First Look" hiring initiative. Yet these measures will stand or fall in large part based on how well the city achieves the much less dramatic work of system-building. One encouraging early sign is an interagency working group charged to create common definitions and outcome metrics across all workforce programs. Led by WKDEV, **the agencies should replicate this process with an eye toward identifying crosscutting concepts and drafting shared language for new workforce contracts to replace those expiring over the next several years; improving the "user experience" for employers and jobseekers; and building a shared data system to make customer information accessible across all agencies and programs.**

Beyond the structural aspects of collaboration, many of the report's proposed new initiatives—bridge programs to serve very low-skilled jobseekers, new training efforts, and expanded work experience opportunities for youth, among others—will require cooperation across agency lines. While this should reinforce the holistic collaboration required to fulfill the Task Force's vision, it also represents a huge management challenge. **WKDEV should immediately convene cross-agency working groups for each new initiative, mapping out action steps and timetables.** Given the newness of this undertaking for New York City, it might make sense to bring in national experts with experience in building such collaborations to facilitate the working groups.

A final implementation challenge concerns the two major vehicles identified by the Task Force to accomplish the policy goals of the report: Industry Partnerships and Career Pathways. While both offer great promise, at this point they carry more questions than answers. (For a closer look at Career Pathways, please see "Green Light for Career Pathways in New York City," a commentary by Center for an Urban Future senior fellow Tom Hilliard.)

Industry Partnerships should serve to build upon the insight that powered the workforce gains of recent years: to effectively serve workers and jobseekers, programs must solve problems for employers. In most cases, this requires a deep understanding of the attributes and experiences they value when making hiring decisions. Expanding the value proposition to businesses by aligning supply and demand to fill a wider range of job openings will be crucial for many of the proposed new initiatives.

The question is whether the city will be sufficiently humble and thoughtful to avoid the many potential pitfalls around these Industry Partnerships: rolling them out too quickly and too cheaply, imposing an illogical degree of uniformity on them, and otherwise straying from the demand-driven perspective through an unwise emphasis on bureaucracy and process. Any of these mistakes likely would ensure that the partnerships could never secure the resources necessary to function at the scale and level of impact called for by the Task Force. Instead, **the lead city entities—WKDEV, SBS, and the NYC Economic Development Corporation—should immediately convene "mini-task Forces" of important stakeholders for each Industry Partnership, to determine a sector-specific scope of work and governance process.** These findings could then inform Requests for Proposals, which could hit the street by mid-2015 for targeted launch early the following year.

Governance and Resource Concerns?

The Jobs for New Yorkers Task Force was successful in setting forth a vision for a refocused and restructured workforce system. But its final report left unanswered a slew of crucially important questions about how this new system will be governed—and how the city and its partners in other sectors intend to pay for the more intensive and expensive services its new priorities will require.

The question of workforce governance in New York City has been fraught for years. Federal law requires that each localarea convene a Workforce Investment Board (WIB) to approve budgets and conduct oversight. In practice, however, the city's WIB has never held real policymaking power; for years, whichever agency received the bulk of federal workforce funds effectively controlled the WIB, with other agencies more or less sidelined—a state of affairs that helped explain the fractured nature of the system. As the Task Force set about rethinking the workforce system, the WIB played no institutional role.

The two primary governance questions are who calls the shots among and between city entities, and if and how private and philanthropic stakeholders will have a role in workforce policymaking. The de Blasio administration created the Office of Workforce Development as a partial answer to the first question, but it remains unclear how much authority WKDEV actually has. The experience of other jurisdictions suggests that a central office for workforce is effective only when it includes control over financial resources—which WKDEV does not have.

The de Blasio administration should empower WKDEV to lead the restructuring of the system. This office fills the longstanding gap of an entity explicitly charged to address questions of employment and skills development; while the myriad other agencies with workforce responsibilities have invaluable experience and expertise in running programs and should continue to serve as thought partners, their primary focus now should be on operations. To fulfill the vision of the Task Force and the administration's priorities, WKDEV must serve as the lead voice through the hard work of implementation. In real terms, this means that when disagreement inevitably arises between the Office and an agency, City Hall should have WKDEV's back.

Likewise, City Hall must either empower the WIB or replace it. The current WIB, whose members serve at the pleasure of the mayor, is comprised of principled and public-spirited New Yorkers eager to support the progress of the system. But they

lack the individual or collective influence to truly move the work forward. Individuals of this caliber tend to give their time only if their input matters. As the city prepares to ask more of its industry and philanthropic partners in support of the Task Force vision, it must be willing to cede a degree of control. **Mayor de Blasio should move to appoint a number of prominent Task Force members to the WIB, to strengthen the Board and to ensure that these leaders continue to oversee the work they began this year.**

Money is the other key question. The report made repeated mention of the nearly $500 million spent yearly on workforce services, but included just one reference to the additional nearly $65 million expended in 2013 by the member institutions of the NYC Workforce Funders, a group of about 20 foundations that regularly fund employment and training services (including the Altman Foundation, which provides some support for the Center for an Urban Future's workforce research). In fact, foundation resources, both standalone and matched with flexible city dollars spent through the Center for Economic Opportunity (CEO), supported most of the skill-building and sector-focused work that will now undergird the full system.

As the report notes, the mission shift from quantity to quality will drive major changes in how the city invests its resources. It also opens up exciting new possibilities to leverage not only philanthropic but also private sector investment, of which there is currently very little in the workforce system. To capitalize, WKDEV must move quickly to define broad parameters of engagement with potential funding partners, determine specific opportunities and priorities, and make focused asks.

As a follow-up to the Task Force report, WKDEV should work with CEO to create and publish a compendium of "unit costs": what the city currently pays for a broad range of outcomes, from job placement to retention and advancement, credential attainment, and grade level gain. This will be invaluable in fleshing out the implementation plan for each of the recommendations, as well as presenting a full picture of the bill for building a quality-focused system through a Career Pathways framework. Of course, this is also the sort of information that potential contributors will ask to see.

With this information in hand, WKDEV should engage the logical partners outside city government to determine who might be interested in helping to resource which recommendations, and what if any conditions they might place upon support. Potential partners should include not just the local foundations that already invest in programs, but national foundations that will be keenly interested in the city's progress. The city should keep a close eye on state and federal competitive funding opportunities as well, and leverage its business supporters to draw far more support from the private sector.

The challenges ahead should not minimize what the Task Force has accomplished. For the first time, New York City is focused on workforce outcomes that will yield real long-term value to its residents and businesses. Further, the process itself was helpful as an exercise in collectively and collaboratively setting out a new and better vision for the system. All that said, the easy part is over: what happens next will determine whether this moment of possibility will be remembered as the turning point toward a system that delivered unprecedented value for workers and employers, or a false dawn of good ideas snuffed out by clumsy follow-up and political myopia.

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i Specifically, I served on the Public Works Partners consulting team that was hired by the de Blasio administration to assist in the writing of the Jobs for New Yorkers Task Force final report. The work I did with Public Works Partners was separate from my role as senior fellow for the Center for an Urban Future, which did not have a formal role in the JFNY Task Force and does not accept city or state government funding.

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