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Testimony - April 2002

Remarks at WIA Reauthorization Forum

On April 25, the Center's David Fischer spoke at a forum on reauthorization of the federal Workforce Investment Act in New York City sponsored by the U.S. Department of Labor.

by David Jason Fischer

Good afternoon. I am David Fischer of the Center for an Urban Future, a public policy organization dedicated to improvingthe overall health of New York City and serving its long-term interests by targeting problems facing low-income and working-class neighborhoods in all five boroughs. We conduct research and publish reports in different areas of city policy, concentrating on issues of economic development and workforce development.

It's somewhat odd to be discussing reauthorization of the Workforce Investment Act in New York, of all places. New York State was not among the states that opted for early implementation of WIA, so the Act went into effect here less than two years ago. And as I'm sure everyone in this room is aware, implementation in New York City has hit repeated roadblocks on everything from Workforce Investment Board formation to the establishment of one-stop centers, as well as more nationally common obstacles such as setting the parameters of Individual Training Accounts—-which were hardly used at all until early this year.

The truth is that the Workforce Investment Act has had relatively little impact on how employment services are delivered in New York. The city's lone one-stop doesn't compare to the diverse network of nonprofit (and a few for-profit) training providers in terms of customers served. The business community, for the most part, has barely engaged with the system at all. Finally, the city's guiding workforce policy until the beginning of this year was an extreme work-first philosophy that had little use for the more nuanced approach of WIA.

I'm happy to report that under Mayor Michael Bloomberg, a sound balance between rapid work attachment and training and education is being restored. Department of Employment Commissioner Betty Wu, who spoke earlier today, is leading an admirable effort to proceed at long last with setting up WIA's infrastructure, opening new one-stop centers and reinvigorating

the Workforce Investment Board. But to make WIA truly relevant and constructive for jobseekers and employers in New York, we'll need action beyond what our city agencies can do. That's where reauthorization can help address some of these concerns.

I'd like to make a few brief points. First, many of our best training providers in New York City currently cannot or choose notto participate in WIA. Smaller nonprofits that have developed expertise either with a specific community within the city, or with training for a specific industry, often aren't sufficiently staffed to meet the exacting reporting requirements of WIA. Larger providers with multiple funding streams are burdened with having to collect different information for each federal agency supporting their program, and by having to track outcomes for an entire class if any participant is funded through WIA. This last requirement in particular has proven taxing for some of our best New York City providers, including City University of New York campuses with long and successful track records in job training. A system that doesn't support its finest providers is a system in need of change.

Second, I'd like to briefly discuss the role of the private sector in the system envisioned by WIA, and offer suggestions why business involvement has been neither as thoroughgoing nor as effective as had been hoped. While the 1998 law admirably sets forth the objective of a business-led, demand-driven system, the actual processes, from Board formation and composition to the protocols and reporting requirements for customized training, are more bureaucratic than the private sector is accustomed to seeing. I would recommend that a guiding principle of the revised WIA should be: As little red tape as possible.

Specifically, local communities should have the opportunity to request waivers from the Workforce Investment Board representation requirements. In New York, we have a high number of mandated partners that must be represented on the board; additionally, there are nonprofit providers and other appointees of the Mayor who do not hail from the business community. But since private sector members must comprise at least 51 percent of the Board, the minimum realistic size of a New York City WIB under current requirements is about 40. I would submit that this is too large and unmanageable for the serious policy deliberations and agenda-setting work we wish the Board to take on.

Finally, the Temporary Assistance to Needy Families program is up for Congressional reauthorization this summer, and the changes in that program are certain to have a major impact upon what happens when WIA reauthorization is considered next year. It is of grave concern that, as both these programs seek to serve customers who are in an increasingly divergent set of circumstances, the flexibility and devolution that were hallmarks of the first WIA and TANF proposals are cast aside in a number of the proposed changes to the TANF legislation.

In New York City, we know well that workfare can be unfair to those forced to participate in it, and that "work first" can translate in the real world "training never." The Bloomberg Administration has quietly whittled away the Work Experience Program, which did much more to provide a sub-minimum wage labor pool to the city than to give participants experience that helped them find unsubsidized private employment. With the specter of new TANF requirements that would force states and cities into this "one size fits all" model now haunting Capitol Hill, we strongly urge against this framework-—which, among its other pernicious effects, can stigmatize participants as deeply as dependency ever did. More flexibility, not less, is what is needed in both TANF and WIA.

There are legitimate concerns about how TANF and WIA can and should fit together. Academics and policy experts from across the political spectrum are skeptical that administrators of each program really understand and are prepared to address the needs of the other. Research from the General Accounting Office and other reliable sources has indicated that one-stops have struggled to coordinate the roles of current mandated partners; these difficulties likely would multiply if TANF were brought in as well.

Nevertheless, effective case management dictates that TANF and WIA services work in tandem for individuals eligible to be served under both programs. We would thus recommend that TANF be considered as a mandatory partner under WIA, and

furthermore that localities be required to submit detailed implementation plans on how the two systems will fit together and integrate with each other beyond mere co-location. We also strongly urge that the progress of TANF clients also served under WIA be measured in terms of work-based self-sufficiency—which should be the ultimate purpose of both programs. WIA performance measures of "employment," "long-term retention," and "earnings gains" offer a much better indication of whether these programs are really serving people than abstractions such as caseload reduction and participation rates.

The Center for an Urban Future has been studying workforce development and job training issues in New York for years. We believe that there are real signs of progress and a lot of momentum for positive change. Our learning curve on WIA in New York City has been steep, but it is beginning to lead toward real, positive change that will help better serve jobseekers and employers. As Congress considers reauthorization of WIA, it should keep in mind how to expand upon the successes achieved as much as how to address the difficulties encountered.

Thank you for this opportunity to testify today.



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