Center for an Urban Future
Innovative Ideas. Independent Policy.



Testimony - August 2000

Response to the City of New York's Workforce Investment Plan

Submitted at a public hearing on the city's plan to implement the federal Workforce Investment Act locally

by Neil Kleiman

My name is Neil Scott Kleiman and I am the director of the Center for an Urban Future. I want to thank Chairman Stuart Saft and the rest of the Workforce Investment Board for the opportunity to testify today.

The Center is a policy institute dedicated to offering pragmatic solutions to some of New York's most critical economic problems. We have just completed a 14-month assessment of training and workforce programs in New York entitled "The Skills Crisis." I have attached a copy of the report to my testimony.

What we found in our report is that there is no reform more essential to this cityâs economy than the Workforce Investment Act. The need for skill training has reached crisis proportions. Businesses ranging from software companies in Silicon Alley to small manufacturers in Long Island City are losing clients because they do not have qualified help. At the same time low-income job seekers aren't getting meaningful training as welfare time limits take effect.

Unfortunately, training and skill development has historically been an afterthought at best. What we need to correct this problem is a truly universal, coordinated workforce system.

The federal Workforce Investment Act is a legislative push that helps us get to that system in New York, and to that end, the current draft of the city's plan is going in the right direction. While it is not yet complete, there is time to make it better as we increase our knowledge of what reforms work in New York.

Our assessment is that the plan uses the right language and has the right intent, but is lacking political leadership, autonomy for the board and in programmatic specifics.

The plan discusses increased coordination amongst agencies, streamlining services, improved connection to employers, creating a network of accessible one-stop centers, making programs available to both dislocated and incumbent workers and the use of labor market research to identify key economic sectors.

The words are right on target, but they must be backed up with leadership, something we still have yet to see. We need a mayor, city council and a strong board voicing support for many of the goals set out in this plan. There must be an honest and intensive effort to recruit more private sector leaders to the board and there must be support from the top levels of government for there ever to be a chance of erecting a credible workforce system.

Additionally, the board must have autonomy from the current workforce system. We must move away from including agencies, organizations and individuals who have a vested interested in the current system of training, which doesn't work so well.

In addition to the need for leadership and autonomy, the plan must also address the following:

1) **An overt connection to higher education**. There is simply no way New Yorkers can climb the jobs ladder without higher education and advanced training. Currently, the city is home to the largest density of postsecondary institutions in North America and has the largest SDA (service delivery area) for training in the nation. These two systems run on separate tracks.

This makes no sense. The new board should do more to incorporate our natural base of colleges and universities into the future workforce system. In Washington state community colleges form the backbone and point of entry for training services. Here in New York, the City University of New York runs a number of traditional job training programs. But these programs are basically unplugged from other training providers and operate in isolation.

2) **A direct connection to current incumbent worker training efforts**. The plan rightly discusses integrating incumbent workers into the new workforce system under WIA. In a skill-driven era where employers are constantly in need of upgraded talent and workers are always in need of the latest knowledge, incumbent worker training is essential.

But it is troubling to see that New York's newly created incumbent worker training program, the state-funded Strategic Training Alliance Program, is not actually mentioned in the plan despite its size and significant funding.

Texas has successfully blended its incumbent worker training with traditional job service programs. Now local one-stopshave the ability to attract a range of constituents and the flexibility to provide most any kind of customized training.

3) **Industry-specific research that is directly informed by employers**. The plan recognizes the importance of sector-driven research and recommends using Department of Labor data to this end. This is a good step, but should not be a substitute for on-the-ground input from employers in each of the five boroughs. There must be an ongoing process of meeting with businesses to understand first hand training needs.

A number of strong organizations could be of assistance in this effort, including the New York City Investment Fund, the Industrial Technology Assistance Corporation, the New York Industrial Retention Network, the New York New Media Association and the New York Software Industry Association, just to name a few.

The Center for an Urban Future will continue to release industry-specific reports, using the results of several months of research and talking with employers about their current needs. We have already examined needs in the aviation, garment, and biotechnology sectors. We will look at more sectors in the future and increasingly we will be focusing on workforce needs. We welcome the opportunity to share our findings with the board.



CENTER FOR AN URBAN FUTURE
120 Wall Street, 20th Floor, New York, NY 10005

cuf@nycfuture.org © All Rights Reserved.