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Training Wreck

In the latest installment of NYC Inc., the Center's David Fischer examines why New York City has fared so poorly in connecting the business community to job training and workforce development systems.

by David Jason Fischer

When Frenchman Alphonse Karr wrote, "The more things change, the more they remain the same," he was probably talking about workforce policy in New York.

The federal Workforce Investment Act (WIA), passed in 1998, was designed to be a clean break from previous failed job training programs, bringing order and efficiency to scattered systems across the nation. But in New York City, the first few years of WIA bring to mind another famous French phrase: It's déjà vu all over again.

Take the city's Workforce Investment Board. This federally mandated steering body was designed to ensure that employers would be at the heart of the new workforce development system. Chaired by and composed mainly of business leaders, the WIB was supposed to guarantee that the new training system was responsive to employers' needs in a way previous systems had never been.

So how's it going? At a meeting of the city's board this past December, fewer than half of the forty-plus board members showed up at all. Those who did endured a series of extended reports from city agencies engaged in workforce activities--updates on performance benchmarks, program revisions and collaborations with neighborhood groups seeking grants. The aftershocks from September 11 were still being felt acutely, and an imminent mayoral changeover and looming budget crisis were certain to have major impacts on workforce policy, but there was little discussion or debate.

Toward the end of the meeting, someone tried to call a vote--only to be notified by another member that the board could not technically take any action, as business members constituted well less than 51 percent of those present. Added the member: “If we continue to drag on like a government meeting, they’ll never come back.”

Veteran observers might ask: What else is new? When the previous federal workforce directive, the Job Training Partnership Act (JTPA), became law in 1982, Congress made Private Industry Councils (PICs) a requirement for every community receiving funding. Like the Workforce Investment Boards, these councils were designed to bring business into the equation, and to give the private sector some control over how the JTPA money was spent. New York fought the PIC concept from the start, and successive mayors battled to keep the federal training money under their control. Without backing from City Hall, business leaders lost interest and began to send subordinates to the PIC meetings in their place.

Lacking input from the business community, job training in New York drifted. At the micro level, training providers occasionally connected with individual employers or industry groups to craft good programs that addressed real labor needs and improved the lives of participants. More often, however, programs trained workers for jobs in shrinking or stagnant fields, while jobs in growing industries, such as information technology, went begging. There was simply no good source of research to help trainers match up supply with demand.

“A big part of the problem has been getting accurate labor market information at the occupational level,” says Bonnie Potter, executive director of the New York City Employment and Training Coalition and a veteran of the city’s job training battles. “Providers need to get a sense of what employers’ hiring needs are, not just today, but months down the line.”

The Workforce Investment Act sought to address this problem by charging boards composed largely of members of the private sector with designing, implementing and overseeing the entire local system. Even better, the law mandated that the Mayor appoint business owners, CEOs, COOs, executives or other employers with “optimum policymaking or hiring authority” to the WIB--in other words, no more minions at the meetings. It was time, the federal government seemed to be saying, to get business involved in a serious way.

The law went into effect in July 2000--two years after President Clinton signed the bill. This should have given the city plenty of time to determine how to respond to the new law, and to build a strong, vibrant board to lead the charge. Instead, the city did next to nothing, only narrowly avoiding sanctions by hastily putting together a “preliminary board”--with former PIC Chair Stuart Saft as acting chair--just before the deadline.

Since then, Saft has kept up the fight to make workforce policy relevant in New York, but it has been an uphill struggle. “It’s really been a continuation of business as usual,” Saft admits. “And that’s really unfortunate. You have to have senior businesspeople on the board, and the mayor has to indicate that this is really important to him. Why should people give up time from their busy day to hear that we’ve met 78 percent of our performance standards for the month of July?”

Other cities have taken a different approach, and have had far greater success. One element common to cities that have created strong workforce development systems is that they have top figures in the driver’s seat. In Chicago, a deputy mayor has operating control over the city’s workforce programs. In Boston, the head of the local Federal Reserve Board chairs the city’s Workforce Investment Board. Other cities, such as Houston, boast CEOs and other executive-level private-sector leaders at the heads of their boards.

Once they’ve drawn such luminaries into the arena, these cities have been sure to give them substantive work to do. In Boston, the board never hears agency reports of the type that took up much of New York’s most recent WIB meeting; members make presentations themselves, after being briefed beforehand by a highly professional staff. Then the members debate: What are the growth industries right now, and what will they be in two years? What kinds of skills will these industries need? Which partners should be involved in providing training and support services?

Connie Doty, director of Boston's Office of Jobs and Community Services, explains that Boston has been able to keep top business officials involved because the meetings are both lively and substantive. "If you don't give them real, meaty work to do, they won't come. When the board is making important policy and funding decisions, then it's much easier to ask a busy, over-committed CEO or COO to step up to the plate," she adds.

Boston has developed customized training for employers in hospitality, health care and other fields, resulting in hundreds of successful job placements--even for former welfare recipients. Using federal welfare to work money that went largely untouched in New York, Boston's board helped connect Massachusetts General Hospital and Brigham and Woman's Hospital with community-based organizations to put together a job readiness program for individuals coming off of welfare. After eight weeks of training, participants tested for certification as nursing assistants; those who passed were offered full-time jobs with benefits.

"Employers were hugely enthusiastic about this," says Doty. "We had a bunch of them saying that their workers who came through the welfare to work program had a much better retention rate long-term than applicants as a whole."

Finally, Boston Mayor Thomas Menino has made Boston's job training and employment system a clear priority for his administration. This year, Menino made workforce development one of the two themes of his annual address to Boston's Chamber of Commerce. Members of the chamber weren't surprised; the mayor had been talking about job training issues with them for years.

Back in New York, there have been some signs of progress in this long-deadlocked area of policy. The Human Resources Administration's sponsorship of four Job Expos at Madison Square Garden after September 11 brought the agency into contact with hundreds of city employers, some of whom will now be working more closely with the agency to meet their specific workforce needs. Through a $5 million deal with the city's Economic Development Corporation, HRA plans to develop customized training programs for city businesses that commit to hiring trainees who complete those programs successfully. HRA has also begun an initiative with Local 1199/SEIU and the labor-affiliated nonprofit Consortium for Worker Education to train hundreds of city workers for jobs in health care, a field in which vacancies persist even in the face of higher unemployment.

But the biggest reason for optimism in this area is the businessman who now calls the shots in City Hall. Mayor Bloomberg has already sent a strong signal to the business community by announcing plans to move HRA's WIA-related workforce responsibilities back to the Department of Employment, from whence they came in 1998--a move that could help change the private sector's perception of government training programs as inextricably linked to welfare. His new DOE commissioner, Betty Wu, also hails from the private sector, and she has made an extremely favorable impression on key players in the city's workforce community. Testifying before the City Council on February 21, Wu declared that working with private industry would be her agency's foremost mission.

To achieve that admirable goal, she'll need a stronger Workforce Investment Board and a plan for really engaging the business community. All Workforce Investment Board members serve at the discretion of the mayor, and changes in composition are likely—and, if the new members are more capable and engaged, welcome. Here are some other things the city can do to help out:

Unleash the mayor. New York has never had a chief elected official with anything like the credibility Bloomberg has in the business community. His stamp of approval alone would go a long way toward assuaging the traditional private sector fear that government-backed programs inevitably do more harm than good. The sooner Wu and other leaders can get him involved, the better.

Pump up the board. The city's Board currently has upwards of 40 members. Saft wants more. "I've asked City Hall to appoint additional members," Saft says, "key people from business, as well as a senior person from the Board of Education.

I've never understood how you can talk about job training and not have the public education system represented." Saft and other officials also are intent on increasing the number of representatives from key industries such as health care and telecommunications.

Get serious about sectors. WIB Executive Director Dorothy Lehman says that the board plans to stage focus groups, consult with economists and take other steps to provide real labor market research and identify the areas most likely to grow over the next several years. The city's next step should be to work directly with multiple employers in each of these sectors to figure out how best to meet their mutual needs. In cities such as Houston and Austin, Texas, this sector-based strategy has paid big dividends for local employers and job-seekers alike.

Get to the bottom line. Business leaders must take a more active role in workforce development, because it is in their interest to do so. The city should dump tired rhetoric about civic responsibility, giving back to the community or anything else that smacks of charity, and get to the point: More business participation in workforce development will translate into more skilled workers for the industries that need them.

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Despite his longstanding frustration with the pace of change, Saft is still optimistic about New York's ability to turn its workforce system around. He's also pretty sure he knows what the city needs to do to get there. "I've had a vision since 1999 as to what our workforce investment system should look like," he said earlier this year. "It seems to me that I'll know that I have succeeded in my little mission here when they call and tell me that the next chairman of the WIB is the head of the Federal Reserve, or the president of American Express."

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