

Deputy Mayor
Economic Development

DSBS

WIB

ITGs

Custom Training

Sector-based center

Bus. Sol. Trg. Fund

WASC

Employment Works

FSET

CBO Outreach

Workforce Centers

CUNY

NYC Justice Corps.
Occupational Certs.

Assoc. Degrees

Contract & Grant Based

ACE

Basic Literacy

Workforce 1 Center

Workforce Literacy

WASC

Jobs to Build On

Deputy Mayor
Education & Comm. Dev.

DYCD

ISY

OSY

SYEP

Adult Literacy

NDA Adult

NDA Youth

YAIP

CWE

Hard to Place

DOE

CTE High Schools

CTE Adult

Nursing Career Ladders

Rikers Isl. Expansion

DEMANDS OF THE TIME:

TURNING THE WORKFORCE DEVELOPMENT MODEL OF
THE LAST CENTURY INTO A SKILLS EDUCATION MODEL FOR TODAY

October 2008

Other Mayoral

Probation

Employment Works

Correction

NYC Justice Corps.

Rikers Isl. Expansion

HPD

Opportunity NYC

Other Non-Mayoral

HHC

Nursing Career Ladders

NYCHA

Opportunity NYC

Deputy Mayor
Health & Human Services

HRA

FSET

Back to Work

NYCWAY

BEGIN

Business Link



OFFICE OF THE NEW YORK CITY COMPTROLLER
WILLIAM C. THOMPSON, JR.

CEO

Guide to the diagram on the cover

The purpose of this diagram is to demonstrate the complex reporting relationships and resultant lack of accountability that plague the City's workforce development programs.

Green lines and/or green typeface and/or green boxes denote programs connected to CEO. Purple lines and/or typeface and/or boxes denote programs connected to the WIB. Blue denotes programs connected to the City Council.

Categories are not mutually exclusive, so that a program that has a connection to both the WIB and the CEO might have purple typeface enclosed in a green box, with colored lines connecting it to both the CEO and the WIB.

There are a few programs that are connected to the CEO (green) and then connected to two agencies. Thus the Nursing Career Ladder Program (orange box, green typeface) is a CEO-related program with ties to both the Health and Hospitals Corporation (HHC) and the Department of Education (DOE). The NYC Justice Corps Program (turquoise box, green typeface) is a CEO-related program with ties to the Department of Correction and CUNY. Opportunity NYC (green typeface, black box) is a CEO-related program with ties to the New York City Housing Authority (NYCHA) and the Department of Housing Development (HPD).

Guide to acronyms on the cover

DSBS	Department of Small Business Services
WIB	Workforce Investment Board
ITGs	Individual Training Grant Program
FSET	Food Stamp Employment and Training Program
DYCD	Department of Youth and Community Development
ISY	In-School Youth
OSY	Out-of-School Youth
SYEP	Summer Youth Employment Program
NDA	Neighborhood Development Area
YAIP	Young Adult Internship Program
CWE	Consortium for Worker Education
HRA	Human Resources Administration
FSET	Food Stamp Employment and Training Program
BEGIN	Begin Employment, Gain Independence Now
CEO	Center for Economic Opportunity
CUNY	City University of New York
WASC	Work Advancement & Support Center
DOE	Department of Education
CTE	Career & Technical Education
<i>Other Mayoral</i>	
HPD	Housing Preservation & Development
<i>Other Non-Mayoral</i>	
HHC	Health & Hospitals Corporation

Contents

Introduction.....	1
Executive Summary.....	1
Key Findings.....	2
Key Recommendations.....	6
I. Workforce Development in New York City: Myriad Programs and Funding Streams.....	8
A. Workforce development is funded by all three levels of government.....	8
B. At least five different City agencies/offices and CUNY are responsible for most of the public funds allocated for workforce development and training.....	8
II. The City’s Workforce Development Efforts Are Not Well Coordinated Across Agencies . . .	14
A. Workforce development and training for adults (DSBS, HRA, CEO and DOE Adult Education).....	15
B. Workforce development and training for youth (DOE and DYCD).....	18
C. CUNY workforce development and training.....	20
D. Role of the New York City Workforce Investment Board (WIB).....	22
III. Workforce Development Planning is Hampered by Lack of Comprehensive Data and Analysis.....	23
IV. Recommendations.....	27
Appendixes.....	30

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Introduction

America is suffering from a skills gap. As the economy has been transformed by the rapid growth of the technology and health care sectors, employers are requiring more and more workers with a mid-range of skills, especially technical skills. In New York City, too many of our residents lack these skills. This situation results largely from two factors: lower educational attainment among the native-born, and increased immigration of people who tend to have either very high levels of education, equipping them for the highest skills jobs, or very low levels of education.

As a result, many New Yorkers need help, either to qualify for an entry-level job or to move up from that entry level job through a career ladder into a job requiring a middle or higher level of skill and paying a better wage. At the same time, employers also need assistance, because they are having difficulty finding workers qualified to fill those middle skill jobs. In addition, over the next decade, New York City employers will need hundreds of thousands of trained workers to fill new jobs and replace retirees.

Ensuring that enough New Yorkers have the skills required to fill these positions—thus easing their pathway into the middle class—is vital to the city’s continued prosperity. This report reviews whether New York City’s \$925-plus million workforce development and training system, funded primarily by the federal and State governments, is positioned to meet this challenge.

Executive Summary

The City’s workforce development system is substantially improved over the system in place just five years ago. After years of discussion, studies and pilot programs, steady progress is being made on a number of fronts. The City has finally begun to implement a sector-based approach to workforce development; it is beginning to roll out a much-needed labor market information system; and an array of small innovative programs to improve the skills and the incomes of the working poor are being implemented under the auspices of the City’s new Center for Economic Opportunity.

However, little progress is being made in coordinating the myriad agencies and programs that comprise the City’s labyrinthine workforce development and training system. Workforce development and training programs report primarily to three different deputy mayors and the Chancellor of the City University of New York. In addition, there are some smaller efforts reporting to still other deputy mayors, as well as in non-mayoral agencies. Agencies tend to pursue their own programs and priorities, with no reference to a citywide economic development strategy. There is a lack of common vision or agreement on desired results. There is not even a directory or list of all of the available programs and resources. Our calculation that the City administered over \$925 million for workforce development-related services in fiscal year 2008 appears to be the only such estimate available. To put this figure in perspective, the City spent \$748 million to run the entire Department of Homeless Services in FY 2008.

The City’s workforce development effort does not address the training needs of the entire workforce in an integrated and coordinated manner: from mid-skilled workers who wish to move into higher skilled positions to unskilled entry level workers and public assistance recipients who want to earn a living wage, from low-wage workers and unemployed youth to persons with disabilities and veterans.

The lack of a comprehensive system has consequences. The system is balkanized, there is confusion for persons seeking jobs or to upgrade their skills, and efforts can be duplicated. For example, programs to reduce barriers to employment by improving New Yorkers' basic literacy skills are funded through the Human Resources Administration, the Department of Education, the Department of Youth and Community Development, the Department of Small Business Services, and the City University.

We urge the establishment of a Mayor's Office for Skills Education to ensure that the City's workforce development efforts are comprehensively planned, fully coordinated, and focused on fields and jobs where career ladders exist as well as on sectors where the city seeks a competitive advantage for both employers and job seekers. A number of prominent economists agree that an expanding skills gap in this country is widening the gulf between rich and poor and putting economic pressure on the middle class. Elevating workforce development to this higher level within the Mayor's Office would give it the prominence and emphasis it needs to meet its dual goals of providing businesses with the well-trained employees they require and jobseekers with opportunities to secure a living wage and an upward career path.

Key Findings

City workforce development efforts are not well coordinated.

- **New York City spent more than \$925 million in FY 2008 in City, State and federal funds for occupational training and related employment preparation and placement services.** This encompasses training that is available to adults, youth, the disabled, and other special populations through literally dozens of different programs overseen by agencies that report primarily to three different deputy mayors: the Department of Small Business Services (DSBS), the Department of Youth and Community Development (DYCD), the Department of Education (DOE), and the Human Resources Administration (HRA), and smaller efforts by the Department of Correction, the Department of Juvenile Justice, and the Department of Probation, as well as the New York City Housing Authority (NYCHA) and the New York City Health and Hospitals Corporation (HHC). This funding figure does not include training provided by the City University of New York (CUNY), which does not specifically identify workforce development programs in its budget.
- **There is no comprehensive list of City-administered workforce development and training programs.** We counted 33, not including CUNY. Some of these programs encompass numerous smaller discrete programs. While the Office of the Comptroller made every effort to be comprehensive, it is not possible to ensure that there are not other small programs operating that are not included in this total. In addition, new programs continue to be created. For example, HRA recently announced its intention to begin a new program for non-custodial parents (mostly fathers), for which it has allocated \$3.6 million.
- **These efforts are not well integrated.** With some exceptions, these agencies and their programs operate independently, with little integration or coordination of resources to meet citywide training priorities. No one office or official oversees and coordinates the City's entire workforce development effort.

Agencies that are not coordinated with one another include:

- *DOE.* DOE is a key workforce trainer, with 110,000 students enrolled in Career and Technical Education (CTE) courses in the 2007-08 school year, including 28,000 students in stand-alone CTE high schools, at a cost of \$218 million. That same year, 7,800 students were also enrolled in CTE classes in adult education programs, and thousands more were enrolled in other adult education programs that are directed toward

improving basic skills and job readiness, and allowing participants to earn high school diplomas (GEDs). DOE spends \$42 million on adult education. Except for a New York City Workforce Investment Board (WIB) representative attending DOE CTE Advisory Council meetings, there is virtually no coordination between the DOE CTE program and the City's workforce development system, according to the CTE Advisory Council Chairman. The City's federally-required Workforce Development Local Plan makes no mention of CTE at all. Close coordination and collaboration between DOE and the rest of the workforce development system could, among other benefits, provide invaluable help to CTE administrators in developing new CTE course sequences and partnerships with businesses.

- *HRA*. HRA spent nearly \$400 million on welfare-to-work, job readiness, and related programs in FY 2008. However, there is no coordination between HRA's substantial workforce development efforts and those operated by other agencies. Although the HRA Commissioner is a member of the WIB, the agency's input appears to be marginal at best. The Commissioner did not attend any quarterly meetings during 2007, and a designee attended only two of the four meetings that year. The WIB's published minutes for its quarterly, committee, and Youth Council meetings during 2007 and 2008 make no reference to HRA or its workforce development activities. Better coordination and collaboration could, for example, lead to a process for determining if the basic literacy training provided by HRA contractors is better or worse than the same training provided at DOE and CUNY.
- *DYCD*. There are an estimated 170,000 "disconnected youth" in New York City who are not in school and not working. The WIB, which is charged by the federal Workforce Investment Act (WIA) with administering all WIA-funded programs, has only limited involvement with WIA-funded programs for youth. Principally, these are addressed by a WIA-mandated subcommittee, the Youth Council, which reports quarterly to the WIB on its activities. Youth are not a target population of the Workforce1 Centers, the City's "One-Stop" employment centers mandated by WIA. These centers are geared for adults.
- **The New York City Center for Economic Opportunity (CEO), established in September 2007, oversees a large number of innovative and worthwhile initiatives to help low-income workers, but at the same time contributes to the fragmentation of the City's workforce development effort.** The Center is charged with the implementation of recommendations of a mayoral Commission on Economic Opportunity created to work toward ending poverty in the city. It must collaborate with an array of City agencies to implement its initiatives and it must monitor and evaluate their efforts. It does not itself have the staff or capability to administer programs directly. Thus, although it is in some ways serving as a high level oversight body, in other ways the CEO further complicates the lines of reporting and responsibility. Furthermore, CEO only addresses a portion of the workforce development arena, which also exacerbates fragmentation of the overall effort.
- CUNY is a major New York City workforce development provider. CUNY is a member of the City's Workforce1 Career Centers Operator Consortium, has a representative at each of the City's seven Workforce1 Career Centers (the one-stop career centers mandated by WIA), runs the Workforce1 Center at LaGuardia Community College, and is represented on the WIB. **However, its extensive training efforts are not well integrated into the overall workforce development process.** In the 2006-07 school year, CUNY community and senior colleges issued 29,565 certificates in occupations such as Electrocardiography Technician and Alcohol/Substance Abuse Counselor, enrolled 90,585 in non-credit contract and grant-supported courses and 38,805 in non-credit vocational preparation courses, and conferred 4,265 AAS degrees (Associate of Applied Science, often referred to as vocational degrees). CUNY schools did not work with the WIB or other elements of the City's workforce development system to determine the occupations that would be covered by its certificates, AAS degrees and other efforts.

- **The workforce development strategy articulated by the City focuses largely on DSBS/Workforce1 and DYCD programs, even though these represent only one part of the workforce development system, and not the largest part.**

- *Job placement.* In 2007, the City's Workforce1 Centers placed 16,841 people in jobs. DYCD placed 41,650 youth into summer jobs. In contrast, HRA placed 74,900 people in jobs.
- *Training.* In 2007, Workforce1 Centers issued 2,419 individual training grants funded under WIA; since its inception, the customized training program has trained 3,000 people; and CEO-related initiatives administered through DSBS are expected to train an additional 2,350 people in their first year of operation. In contrast, during the 2006-07 school year, DOE enrolled 28,000 students in Career and Technical Education high schools and 82,000 in CTE classes in other high schools, as well as 7,800 in CTE adult education classes. As stated above, CUNY issued 29,565 occupational certificates and 4,265 occupation-oriented AAS degrees, and enrolled 90,585 in contract training. HRA trained at least 115,290 individuals in 2007.

Moreover, our review of the Individual Training Grant (ITG) program indicated that the majority of these vouchers are used at proprietary schools. Notably, a number of schools price their courses—covering a wide range of occupations and varying in length—to capture the \$2,500 maximum grant available to individuals, raising questions about how well this money is being spent.

- **Some other major cities more effectively coordinate their workforce development systems.**

- *Through its Mayor's Office of Workforce Development (MOWD), Chicago brokers workforce development collaborations among the Chicago Public Schools, programs funded through WIA, and programs targeted to populations with barriers to employment such as public assistance recipients, ex-offenders, and persons with disabilities.* MOWD, which already actively arranges collaborations among workforce development stakeholders, is now seeking to even further advance the coordination of workforce development through Chicago LEADS (Leading Economic Advancement, Development and Sustainability), a new city-wide initiative that will further the integration of the economic development, education and workforce development systems.
- *Both the Minneapolis and Boston WIBs, to cite two examples, coordinate their local workforce development system with the public schools.* For example, the Minneapolis WIB has a number of youth programs that work closely with public schools, including programs to build basic skills to make students work ready, and a program for transitioning students to either post-secondary education or employment. Boston's WIB focuses heavily on improving the public schools, reducing the dropout rate, and helping students transition to college.

Limited rollout of the City's long delayed Labor Market Information System (LMIS) finally began in September 2008, years after deployment of a comprehensive labor market information system was identified as a key priority. Initially it will cover only the transportation sector.

- **Access to comprehensive, detailed labor market analysis is crucial, but currently lacking, in New York City.** Detailed, up-to-date information on the local labor market and well-informed projections of demand for and supply of skilled workers, salary structures, and skills demanded by employers are prerequisites for strategically determining where to direct public training resources.

The need for a comprehensive labor market system was recognized in the New York City WIB's *2005 Strategic Plan*, which gave as one of the three WIB "primary roles," "Provide Critical NYC Workforce Information." In 2006, the WIB issued *Design for a New York City Workforce Information System*, written under contract by the John J. Heldrich Center for Workforce Information. This report found an urgent need for this information by labor market information users—policymakers, job seekers, and frontline staff in organizations that provide workforce and training services. According to the Heldrich report, there "is little consistent use of workforce information to support decision making..." there is "little regular, systematic analysis of business and workforce trends," "anecdotal, unofficial information is frequently used to make important decisions," and there is a "critical need" for "information on the changing workforce needs of key industries in New York City."

- **Now, three years after the need was first identified, the City's new Labor Market Information System will begin to meet identified user needs, but the system requires more extensive development.** Only now has the CUNY Center for Urban Research, in conjunction with the WIB, rolled out a New York City Labor Market Information System. The LMIS is intended to synthesize existing demographic, employment, occupation growth, and other labor market data from various sources and make them widely available. However, the LMIS will need further expansion in order to become comprehensive, robust system envisioned by the Heldrich Center:
 - *The initial LMIS that was released in September 2008 initially consisted of an in-depth analysis of only four sub-sectors of the transportation sector.* The Heldrich Center recommended that the LMIS include "regular, in-depth industry studies of sectors that hire, or have the potential to hire, large numbers of Workforce1 Center clients and young people served by the workforce system." The WIB plans to add additional sectors, but likely only one more over the next year. So it could be several years before a broad array of sectors is analyzed and users have enough of the information the Heldrich Center recommended to be truly useful.
 - *The LMIS will not survey employers to provide current labor market information, as done in some other cities.* San Diego and Milwaukee, for example, periodically survey employers about their hiring projections and current job vacancies, including positions that they are finding it difficult to fill because of a shortage of qualified workers. Comprehensive periodic employer surveys are also useful for identifying entry-level jobs available for new labor force entrants, including some public assistance recipients. WIB officials told Comptroller staff that such surveys would be very useful, but there is no funding to undertake such an effort. Instead, information is being drawn from a variety of publicly available sources and synthesized.
 - *Work on a WIB-sponsored overview of strategic sectors and labor market, including labor demand, supply, salary structures and other factors, is not projected to begin until late in 2008.*
- **The choice of the transportation sector for the City's first Sector Based Workforce1 Center was made without the benefit of a comprehensive review of the City's labor market or economy.**

A sector-based approach to workforce development engages employers, tailors training to the specific requirements of local industries, and fosters career ladders within the sector. It is widely viewed as an effective way to focus limited workforce development resources. After years of studies and pilot programs, this June the City took a concrete step in implementing such an approach by opening a Sector Based Workforce1 Career Center in Queens focused on the transportation industry. However, the only analysis across sectors that was done before transportation was selected was a report commissioned by the WIB that "scanned" about a dozen

sectors. Three of these sectors or “sector clusters” were recommended to the WIB. Transportation was part of the industrial sector cluster.

It will take an LMIS that looks in-depth at the entire economy and a truly comprehensive workforce development plan to ensure that in choosing the next sectors for sector-based centers, priority is given to those that are the most strategically important to the city’s economy, that help to maintain or grow critical industries, that have strong projected job growth and/or large numbers of job openings, and that offer real career ladders to the persons being trained. Nevertheless, the City expects to issue a Request for Proposals for two additional sector-based Workforce Centers this fall, according to the Update on Workforce Development Activities given to the WIB at its September 2008 quarterly meeting.

Key Recommendations

With the city’s economy increasingly dependent on the financial services sector—in 2007 financial services accounted for 25 percent of city wages, double what it was 12 years earlier—and with that sector experiencing significant restructuring, it is more important than ever that New York City’s workforce be qualified to work in fields that promise growth and economic diversification. The Office of the Comptroller therefore advocates a comprehensive effort to build an integrated, coordinated publicly funded workforce development system. The City should:

- **Establish a Mayor’s Office for Skills Education with responsibility for all the City’s workforce development programs.** To maximize the effectiveness of the City’s workforce development efforts, resources must be coordinated among and leveraged from multiple partners, including the WIA-related system, public assistance programs, economic development programs, and the private and not-for-profit sectors.
 - All City agencies and mayoral offices should report on their workforce development activities to the Mayor’s Office for Skills Education.
 - Organizationally, the WIB should be moved from DSBS to the Mayor’s Office for Skills Education, and the Office staff should act as staff to the WIB. This would ensure communication and coordination among the activities of the WIB and the workforce development activities of all mayoral agencies.
 - The Mayor’s Office for Skills Education should act as liaison on workforce development to CUNY, NYCHA, HHC and the State and federal governments.
 - The Mayor’s Office for Skills Education also should work with agencies to leverage private funding and should oversee the City’s efforts to obtain funding from federal and State government grants available for workforce development.
 - The Mayor’s Office for Skills Education should oversee the Labor Market Information System, prepare periodic skills gap reports, and sponsor the City’s workforce Web site.
 - The Mayor’s Office for Skills Education should serve as a single, extensively publicized central information source for the entire workforce development system. Its web site should list all publicly financed training and skills upgrade programs in the city, from CUNY certificate programs and the Summer Youth Employment Program to WIA-funded individual training grants and adult Career and Technical Education programs, with a brief description of each program—including program eligibility standards—and links to more

information on each. There should be a telephone number to call to order a hard copy of this list.

The Chicago Mayor's Office of Workforce Development (MOWD) is the closest model now in existence of how the Mayor's Office of Skills Education would function. MOWD either directly operates or coordinates workforce programs funded by WIA as well as a broad array of programs targeted to specific populations, and it partners with the public schools. (See Appendix A for more information on MOWD.)

- **Broaden the reach of the WIB.** The New York City WIB needs to broaden its focus beyond WIA-funded programs for adults, which are administered by DSBS, and to a lesser extent, programs for youth run by DYCD. Moving the WIB to the Mayor's Office for Skills Education should assist this effort.
- **Expedite development of the City's Labor Market Information System.** The City must accelerate preparation of its in-depth analyses of individual sectors. As part of its efforts to analyze the City's labor base, the Mayor's Office for Skills Education should conduct periodic citywide surveys of a large broad-based sample of employers to ascertain their employment projections and employee skills needs and areas of skills shortages.
- **Develop and periodically update a multi-year workforce development plan that ties together programs in public schools, those offered through HRA, the skills development initiatives of CEO, and youth programs provided through DYCD.** A comprehensive plan would identify priority sectors and occupations based on detailed labor market information, including the results of extensive cross-sector employer surveys and interviews.

A comprehensive plan also would integrate the full range of the City's workforce development programs, such as the HRA Back to Work Program with the City's Workforce1 Centers, DOE's adult education program with CUNY, and DYCD programs with the DOE's Office of Multiple Pathways to Graduation. CTE high school graduates should be guided and tracked. In addition, the programs operated by NYCHA and HHC, and those under the auspices of the CEO need to be considered in the development of a truly comprehensive and coordinated workforce development system.

This plan should also take into account other workforce development efforts, such as the training programs run by the Consortium for Worker Education and the Service Employees International Union, Local 1199, the union representing health care workers.

- **Increase the role of CUNY community colleges as a workforce development training provider.** City agencies that contract with vendors to provide training, both in basic skills and in job-specific areas, should consider entering into demonstration projects, as described in the Rules of the City's Procurement Policy Board, with CUNY community colleges to provide some of such training. Programs that could be carried out by CUNY community colleges include "work readiness" training aimed at improving the basic skill levels of New Yorkers, training leading to certificates in specific fields, and training for incumbent workers to help them progress up a career ladder.
- **The federal government should increase—not decrease—funds for training and other workforce development services under WIA Titles I and II and increase funding under the Perkins Career and Technical Education Improvement Act.** The City is anticipating a large and very damaging reduction in WIA funds.

I. Workforce Development in New York City: Myriad Programs and Funding Streams

As the Mayor's Commission for Economic Opportunity and others have pointed out, a bewildering array of government programs and funding streams support occupational training in New York City.¹

A. *Workforce development is funded by all three levels of government*

Federal funds are used to train public assistance and food stamp recipients, disabled workers, and youth (including those attending high school CTE programs), among others.

New York State funds are used to train some of the previous categories of people as well as adult high school dropouts (and graduates who fail to demonstrate basic educational competencies), and parolees, among others. The State also supports apprenticeship programs and healthcare worker retraining programs.

New York City funds are used to supplement the programs mentioned above and to train youth and young adults, including those in DOE CTE programs, adults in sector-based programs, high school dropouts, working people who have low incomes, City jail inmates, and individuals on probation, among others.

Other programs fund customized training for incumbent workers—those who already hold jobs. Customized training initiatives include the State's ADVANCE-NY grants and the New York City Department of Small Business Services' Business Solutions Training Funds; both provide give grants to firms funded in part with federal WIA monies.

Numerous special-purpose grants from the federal, State, and City governments and private foundations to CUNY colleges, community-based organizations, and other providers support a wide range of additional occupational training and other workforce development initiatives, many of them pilot projects to test new methods.

Finally, several federal, State, and local programs support basic literacy and English-language education for adult New Yorkers. While distinct from occupational training, this basic education can be delivered in an occupational context and is often critical to successful occupational training and job placement for lower-skilled trainees.

B. *At least five different City agencies/offices and CUNY are responsible for most of the public funds allocated for workforce development and training.*

The list of programs presented below on its face illustrates one of the problems with the City's workforce development system. The total FY 2008 funding for these programs, not including CUNY, totals over \$925 million. There are dozens of programs, some with similar names, targeting different and very specific populations. The agencies administering them report primarily to three different deputy majors: the Deputy Mayors for Health and Human Services; Education and Community Development; and Economic Development. At present, no single office or individual is responsible for the monumental but important task of keeping track of all the programs offered.

- **The Department of Small Business Services** administers WIA funds for adults and dislocated workers (\$48.4

¹ Mayor's Commission for Economic Opportunity, *Increasing Opportunity and Reducing Poverty in New York City*, September 2006. For a comprehensive listing of employment and training programs funded by New York State and the federal government, see Center for an Urban Future, *A Thousand Cuts*, February 2007.

million in FY 2008).

- DSBS uses most of these funds to oversee the City's *Workforce1 Career Centers* and to subsidize training for individuals and businesses. There is one Workforce1 Center in each borough plus Centers at LaGuardia Community College in Queens and Hunts Point in the Bronx.² The Career Centers operate as the City's "one-stop" centers, so called because they are mandated under WIA to integrate delivery of separate federal employment and training programs³ at a single location.
- \$10.3 million of the \$48.4 million in WIA funding for adults and dislocated workers is used for *individual training grant (ITG)* vouchers (capped at \$2,500 per individual by New York City) made directly to individuals served by a Workforce1 Center to purchase training from one of a variety of local providers. To be eligible for a voucher, an adult jobseeker may be either unemployed or employed but not earning enough to live self-sufficiently and must have first used the other available services at the center.

Moreover, our review of this program indicated that the majority of the vouchers it issues are used at proprietary schools. A number of schools price their courses—covering a wide range of occupations and varying in length—to capture the \$2,500 maximum grant available to individuals.

- Another \$1.5 million in WIA funding is for *customized training and on-the-job training* for groups of workers.
- The **Department of Youth and Community Development** administers WIA funds for youth (\$29.5 million in FY 2008), as well as additional federal, State and City funding. DYCD workforce development and training-related programs include:
 - *In-School Youth Program* serves as a transition between high school and employment or higher education (\$14.2 million).
 - *Out-of-School Youth Program*, which focuses on vocational training and education for youth who have dropped out of high school or have graduated but need basic skills enhancement to become employed or obtain additional education (\$8.4 million).
 - *Summer Youth Employment Program*, which includes, besides work hours, 17 hours of skills development and help with work readiness, post-secondary and college planning and other subjects that will help participants succeed in the future (\$56 million).

2 Each Center is run by a separate vendor: Wildcat Services Corporation in the Bronx; Goodwill Industries in Brooklyn; DB Grant Associates in Queens; Arbor Employment & Training in Staten Island; and LaGuardia Community College at Long Island City, Queens.

3 Any New Yorker aged 18 or older (and youth aged 16 and 17 with a high school diploma) can receive a range of basic Workforce1 Career Center services, including using Center computers to search for jobs, receiving career counseling from Center staff, and participating in workshops to strengthen job skills and job search techniques. These workshops include resume development, basic software training, General Equivalency Diploma (GED) test preparation, and English language courses. Beyond these "core" services, adult jobseekers may qualify for additional "intensive" career counseling and job preparation services, including training in "soft skills," such as workplace communication and learning skills. Finally, adult jobseekers may be eligible to receive individual occupational training from an independent training provider. A major function of the Workforce1 Centers is to place jobseekers into employment. Account management teams work with major employers such as drug store chains, healthcare providers, banks, airlines and retailers to meet their hiring needs.

- *Adult Literacy Program.* This program provides basic education, English language skills and high school equivalency programs for adult learners. (\$14 million). About half the program’s funding comes from the Community Development Block Grant.
- *NDA (Neighborhood Development Area) Youth Employment Program* provides training designed to help participants find and keep a job. The program focuses on job search and interview techniques, obtaining and completing job applications, and appropriate workplace conduct and attire. It is funded through the Community Development Block Grant (\$1.7 million).
- *NDA Adult Employment Program* focuses on adults seeking to enter the workforce or obtain a better job. Participants learn how to research careers, look for work, excel in the workplace and advance up the career ladder (\$562,000).
- The **Human Resources Administration** administers federal, State, and City funds for job training, education and placement programs for public assistance recipients. In total, HRA administered \$389 million for these programs in FY 2008, including \$146 million spent on contracts to help public assistance recipients train for and find jobs, \$123 million on subsidized employment and job-related training; and a \$56 million Food Stamp Employment and Training Program. More specifically, HRA job placement, training and education programs include:
 - *Back to Work.* This program contracts with community-based employment and training organizations to provide job readiness training, placement services, and vocational training for public assistance applicants and recipients. Courses are in fields such as food service, security guard, truck and bus driving, GED preparation, and home health aide.
 - *NYC WAY (Work, Accountability and You)* places workers in City agencies (the Parks and Sanitation departments have the largest programs), where they “work off” their public assistance grant. The HRA web site explains, “NYC WAY is designed to engage public assistance applicants and participants in work that assists them in gaining independence.”
 - *BEGIN (Begin Employment, Gain Independence Now)* is the HRA welfare-to-work program specializing in basic skills and literacy instruction for participants with low basic skills and limited English proficiency.
 - *Business Link.* Business Link is an employment service that connects businesses and qualified candidates. There are financial benefits to companies that hire public assistance recipients through Business Link, including wage subsidies and federal and State tax credits.
- The **Department of Education** operates CTE programs and enrolls nearly 60,000 individuals in adult education classes.
 - *CTE in high schools.* There are 21 CTE high schools, with a total of 28,000 enrollees, and over 500 CTE classes in 158 other high schools, with 82,200 more students enrolled in at least one CTE class or program. DOE funding for CTE high schools (not including the CTE classes in “standard” high schools) totaled \$187.5 million in CFY 2008. In addition, \$20.7 million of federal Perkins⁴ funds supported high school CTE programs. High School CTE course sequences are offered in automotive repair, nursing, the trades, and computer graphics, among many other areas.

4 Title I of the Carl D. Perkins Career and Technical Education Improvement Act.

- *CTE adult education.* Approximately 7,800 New Yorkers were enrolled in DOE CTE adult education classes during the 2006-07 school year. Adult CTE courses are offered in many of the same subjects as in High School CTE, such as Web page design, computer repair computer networking (COMTIA Network+), emergency medical technician, and certified nurse assistant.
- *Adult Education.* In 2006-07 approximately 48,800 individuals were enrolled in DOE traditional Adult Education, which includes basic literacy, Adult Basic Education (skills level starting at 4th grade), GED preparation, and English as a Second Language (ESL) instruction. These efforts are funded primarily by State Employment Preparation Education funds and to a lesser extent by WIA Title II funds (not the same as the WIA funds for adults and youth discussed throughout this report, which are WIA Title I). In total, DOE Adult Education, including CTE for adults, was funded at \$41.8 million in FY 2008.
- **Mayor's Center for Economic Opportunity (CEO)**⁵, established in September 2007 “to provide and coordinate resources to combat poverty in New York City,” collaborates with an array of agencies on implementing a range of anti-poverty activities directed primarily at the working poor, including training and other workforce development efforts, as detailed below. Many of these initiatives are small and focused, which experience has shown is an effective way to deliver such services. However, by their nature, such programs require intensive oversight and evaluation. Moreover, there does not appear to be a strategy in place to replicate successful pilot programs. Including agency sponsors, start date, and funding, CEO workforce development initiatives include:
 - *Sector Based Career Center* (DSBS, May 2008); the first, in transportation, opened in June 2008 in Jamaica, Queens (\$2.3 million).
 - Expansion of the *Business Solutions Training Fund* (DSBS, February 2007) targeted to provide low wage workers greater access to job training in key skilled occupations. Provides up to \$400,000 to fund 60 to 70 percent of eligible training costs, with the employer paying the balance. Job training is tailored to the needs of businesses and includes reading and math education, ESL, and job preparedness (\$3.7 million CEO budget, \$4.2 million total budget including WIA funds).
 - *Work Advancement and Support Center* (DSBS, May 2008) consists of two model programs: a Workforce 1 Career Center model that expands career advancement and job retention services in Harlem (the EarnMore program), including personal coaching, and screening and referral for skills upgrade and other programs, for currently employed individuals (July 2007); and an employer-focused model that targets employers in Bedford-Stuyvesant and provides services at the job site (\$3.5 million total).
 - *Nursing Career Ladders Program* (HHC and DOE, September 2007). \$1.0 million CEO funds (\$5.4 million total).
 - *Employment Works* initiative (DSBS and the Department of Probation, August 2008), will coordinate programming among the publicly-funded workforce development system, the Department of Probation, and workforce development providers to increase the number of probationers connected to jobs that lead to economic self-sufficiency (\$1.8 million).

⁵ The Center for Economic Opportunity was established in September 2007 to oversee the implementation of recommendations of a mayoral Commission on Economic Opportunity, which was charged with reducing poverty in New York City. Its funding comes from a combination of City and private sources.

- *NYC Justice Corps* (CUNY and Department of Correction, Spring 2008), places court-involved youth, age 18 to 24 residing in the South Bronx, Jamaica, or Bedford-Stuyvesant in a six-month work readiness program that includes skills building, assessment and community service, followed by a subsidized internship with job coaching and support (\$4.8 million).
- \$80,000 for a pilot program to leverage the same amount in additional federal *Food Stamp Employment and Training Program (FSET)* funds (DSBS, January 2008), to serve Food Stamp recipients who do not receive public assistance and who are working fewer than 120 hours per month. This represents an effort to make FSET funds available to agencies other than HRA.
- *Young Adult Internship Program*, (DYCD, November 2007), offers paid internships, job placements, and education or advanced training, directed at “disconnected youth” age 16 to 24 years old. The 14-week program includes workshops, counseling and paid internships (\$9.4 million).
- *Rikers Island Adult Education Expansion* (Department of Correction, DOE, October 2007), for inmates age 19 to 24, adds resources to existing programs focused on GED preparation and testing, ESL, vocational training, and counseling services (\$2.8 million).
- *Opportunity NYC: Work Rewards*, (CEO/HPD/NYCHA, November 2007). The program offers individuals holding Section 8 vouchers monetary awards for completing education and training courses while employed (\$3.4 million CEO funds, \$12.8 million private funds).
- *Community Based Organization Outreach* (DSBS, July 2007); three-member Community Outreach Teams coordinate appropriate referrals to the Workforce1 Centers for target areas of Mott Haven, Melrose, Morrisania, Jamaica, and Bedford-Stuyvesant (\$1.3 million).
- **CUNY.** In one sense, all the activities of the City University could be said to relate to workforce development. However, considering only those programs that lead to occupational certificates or associate degrees that train students for specific careers, CUNY trains well over 100,000 New Yorkers a year. The various components of the CUNY senior and community college workforce training system are:
 - *Occupational certificates.* During the 2006-07 academic year, CUNY colleges conferred 29,565 occupational training certificates in occupations such as A+ Computer Technician, Alcohol/Substance Abuse Counselor, Aviation Operations, Electrocardiography Technician, and Sound Systems Technology. This includes both credit-bearing and non-credit-bearing certificates.⁶
 - *Associate Degrees.* CUNY community colleges confer about 75 distinct AAS degrees in addition to numerous occupationally-focused Associate of Arts degrees.⁷ Among the fields in which these degrees

⁶ The seventeen CUNY senior and community colleges offer approximately 35 distinct, credit-bearing, undergraduate occupational certificates that take one academic year to complete.

⁷ The Associate in Applied Science (AAS) degree is designed for students who seek specific occupational training and intend to enter the labor market directly. The degree is not intended for transfer to a four-year college, although individual courses may be transferable. Two other two-year degrees, the Associate of Arts (AA) and the Associate of Science (AS), are designed for students who intend to transfer to four-year colleges. Nevertheless, some AA and AS programs of study also confer specific occupational skills, and some CUNY students receiving these degrees choose not to continue with their higher educations. Hence, CUNY’s occupational training effort in for-credit programs is somewhat larger than what is measured by the number of occupational certificates and AAS degrees conferred.

were conferred were Business Administration, Computer Information Systems, Early Childhood Education, Environmental Control Technology, Graphic Arts, New Media Technology, and Paralegal. During the 2005-06 academic year, CUNY conferred 4,265 AAS degrees.

- *Contract and grant-based training for the City of New York, private businesses, and labor unions.* CUNY trains City employees upgrading their skills and public assistance recipients whose goal is job placement. For businesses and unions, CUNY primarily trains incumbent workers who are upgrading their skills. During the 2006-07 academic year, 33,677 individuals⁸ were enrolled in non-credit contract/grant supported courses in CUNY senior colleges (for a total of 1,349,652 contact hours) and 56,908 in the community colleges (for a total of 3,125,372 contact hours).
- *Adult and Continuing Education.* The occupational training component of CUNY's Adult and Continuing Education (ACE) enrollment is substantial, with almost 50,000 enrollments in tuition-based occupational training courses in 2006-2007.⁹
- *Basic literacy, GED, ESL and "soft skills training."* The CUNY community college ACE divisions provide basic literacy, GED diploma test preparation, ESOL programs, and training in "soft skills" (such as workplace etiquette, teamwork and problem-solving).
- *Workforce1 Centers.* CUNY operates the Workforce1 Center at LaGuardia Community College. CUNY is also a member of the Workforce1 Operator Consortium, which is the management and oversight entity for the City's One-Stop career center network and reports to the Policy Committee of the Workforce Investment Board. The WIB is collaborating with CUNY on Project Welcome, a federally-funded workforce initiative located at Kingsborough Community College and working through two Workforce1 centers to recruit and train approximately 90 Center registrants a year for careers in the hospitality and tourism industries.
- *Workforce1/CUNY Literacy Program.* Funded by the New York State Department of Education, the Workforce1/CUNY Literacy program provides adult literacy services—English as a Second Language (ESL) and GED preparation. CUNY has also assigned a Workforce1 Partner Coordinator to each Workforce1 Career Center. During the 2008-09 Fiscal Year, the Workforce1/CUNY Literacy Program intends to develop linkages with other related workforce services at Workforce1 Career Centers.
- As discussed in the description of CEO programs earlier, the \$3.5 million *Work Advancement and Support* (WASC) program develops the skills of working poor adults to increase their job stability and economic self-sufficiency. WASC clients also receive job skills and training as needed, with access to free vocational training and certificate programs in industries targeted for advancement.

Several CUNY campuses focus on specialized workforce development and occupational training. For example:

- LaGuardia Community College's *Allied Health Initiatives* encompass a range of individual training

⁸ These figures represent the total of summer, fall, winter and spring enrollment. To the extent that some people enrolled for more than one period, there could be some double counting.

⁹ CUNY Division of Adult and Continuing Education, unpublished data. The figure refers to course enrollments, not student headcount; i.e., individual students are counted for each course in which they enrolled.

programs for both new and incumbent workers with varied educational and work experience backgrounds.¹⁰ In addition, LaGuardia's Center for Corporate Education (formerly the LaGuardia Urban Center for Economic Development) provides customized training in information technology, communications, English-language and management skills to businesses.

- *CUNY on the Concourse*, the Bronx-based education and training center for low-income adults operated by Lehman College's ACE division in collaboration with Hostos and Bronx Community Colleges, offers instruction in Pre-Nursing, Database Management, Construction Technology, Desktop Publishing, Graphics, and Web Design, among other areas. CUNY on the Concourse provides strong academic and social support services for its adult students.¹¹
- New York City Tech has operated its *Business and Industry Training Center* serving private businesses and city agencies for more than 20 years. City Tech also runs the Access for Women Program to train unemployed and underemployed women in nontraditional occupations, such as the building trades and engineering technologies.
- Bronx Community College (BCC) offers pre-apprenticeship training in a range of building trades. BCC also operates the *Center for Sustainable Energy* that includes a certified photovoltaic installer training program.
- **Other agencies.** A number of other City agencies, including the New York City Housing Authority and the Department of Health and Mental Hygiene administer smaller occupational and specialized technical training budgets, generally for incumbent workers.
- **City Council initiatives.** According to documents prepared by the City Council Finance Division, the City Council in FY 2008 provided \$3 million to CUNY for Jobs to Build On, a program for low-skilled long-term unemployed and under-employed individuals; \$3.3 million to DSBS for a program with the Consortium for Workers Education, targeted to union workers, immigrants and the long-term unemployed; and \$3 million to DSBS for a workforce development program targeted toward youth aging out of foster care, disconnected youth, ex-offenders and micro-enterprise organizations in immigrant and low-income communities.

II. The City's Workforce Development Efforts Are Not Well Coordinated Across Agencies

Our review of the City's workforce development efforts indicates that the City lacks a comprehensive strategy to ensure that public training funds are used to best advantage to meet three vital workforce development goals: (1) ensuring that the maximum possible number of people are employed in jobs that pay living wages and provide career ladders; (2) placing workers on career pathways in sectors targeted for economic development; and (3) identifying and relieving important current and emerging skills shortages in the local labor market.

¹⁰ LaGuardia ACE officials advised Comptroller staff that programs feature industry/union input in training course design, contextualized basic education and ESOL, and extensive academic support services and career counseling. Several programs feature career pathways to transition students from non-credit training to more advanced for-credit training. Furthermore, the college has created a number of occupationally contextualized GED and ESOL programs in its Allied Health Training Initiatives. With outside grant support, LaGuardia has developed innovative First-Year Academies for undergraduate freshmen in credit programs. Based on the chosen major, each freshman is placed in one of three academies (business/technology, allied health, and liberal arts) that use peer-cohort "learning communities" and link ESOL and remedial courses with disciplinary and career development courses.

¹¹ Interview with Michael Paull, Lehman College Dean of Adult and Continuing Education, May 1, 2008.

The City's workforce plan, as most recently expressed in the extensive *2008-2009 Local Plan Modification*, is largely limited to WIA-funded workforce development efforts. As indicated above, it makes no mention of DOE adult education and CTE programs and only one incidental reference to HRA. CUNY is discussed largely in relation to DSBS initiatives, certain DYCD programs, and the City's Workforce1 Career Centers, but there is no mention of CUNY's extensive occupational certificate and AAS degree program; as a result, there is no coordination of workforce development efforts among CUNY campuses and the rest of the City's workforce development program, nor are CUNY's offerings based on citywide or sector-based labor market analysis.

The complexity of the workforce system makes it difficult to assess whether training funds are being used as effectively as possible to help New Yorkers get high-quality jobs in growth industries. Although statistics have been released regarding the numbers of individuals served by the City's Workforce1 Career Centers, the Centers represent only one part of the workforce development system.

For the most part, the multiple funding streams and the array of City agencies supporting workforce development engage independently, with little integration or coordination, to meet citywide training priorities, which are in any case not defined. Thus, as discussed below, WIA-funded programs overseen by DSBS are not coordinated with workforce development programs administered by HRA or with the CTE and adult education programs operated by DOE. DYCD programs are directed toward youth operate after school and in the summer. These programs have little connection with DOE or DSBS.

The U.S. Department of Labor template utilized by all local WIBs in drafting their annual local plan modifications states:

“The workforce system must be fully connected and aligned with state and regional economic development and growth strategies. This requires integration of workforce development, economic development, and education systems in support of economic competitiveness.”

As discussed below, New York City's workforce development system needs to make considerably more progress in integrating and aligning these elements.

A. Workforce development and training for adults (DSBS, HRA, CEO and DOE Adult Education)

There is little or no coordination of adult workforce development and training programs operated by DSBS, HRA and DOE.

DSBS focuses on employer-driven programs targeted to adults.

Prior to 2002, HRA administered the City's WIA funds for adult and dislocated workers. From 2002 to 2003, this responsibility was assigned to the Department of Employment. In 2003, the Department of Employment was eliminated and those of its functions relevant to adults were transferred to DSBS. (Youth-related functions were transferred to DYCD.) This change was intended to ensure that the workforce development system would be responsive to the needs of business. To create a more direct pipeline between job seekers and businesses, the DSBS-run WIA-funded Workforce1 Career Centers were co-located with the City's Business Solutions Centers. Customized training for incumbent workers has also been seen as an important element of DSBS efforts, largely because this type of training is solicited by and helpful to business.

In addition, in the last year, DSBS has been assigned a wide array of Center for Economic Opportunity programs—not necessarily funded through WIA—targeted at raising skill levels and living standards of low-

wage workers. These range from Sector Based Career Centers to a program for Rikers Island inmates. It certainly makes sense for DSBS, with its focus on serving the needs of business, to oversee employer-focused programs such as customized training. However, specifically because of its business concentration, DSBS may not be the best agency to coordinate programs targeted toward the working poor or populations with serious barriers to employment. Such coordination needs to occur across the broad array of agencies better positioned to address the needs of this population, such as HRA, DYCD, and the Administration for Children's Services (ACS), among others.

HRA is not integrated into the workforce system.

HRA operates the City's Job Centers, formerly known as Income Support Centers, where individuals may apply for temporary financial assistance provided through the federal Temporary Assistance for Needy Families (TANF) program and the State- and City-funded Safety Net Assistance program, and may also apply for food stamps and Medicaid. According to the agency's web site, eligible adults are required to participate in employment or rehabilitative activity "designed to help them achieve their highest level of self-sufficiency." These programs are listed on page 10.

According to the Workforce Alliance, "For intensive and training services for adults, WIA gives priority to public assistance recipients or other low income individuals."¹² Nevertheless, the City's Workforce1 system and the WIB take little notice of HRA's job placement, training, and education programs, even though they are much more extensive than the programs funded under WIA with which the WIB concerns itself. Based on data provided by HRA and the Mayor's Management Report for 2007, HRA job programs trained at least 115,290 individuals¹³ and placed approximately 74,900 in jobs. In comparison, 16,841 persons were placed in jobs through the City's Workforce1 Career Centers in 2007. The HRA Commissioner is a member of the WIB, but WIB quarterly meeting minutes indicate that an HRA representative attended only twice in 2007, three times in 2006, and not at all in 2005, and the discussion at the meeting rarely mentions HRA or TANF.

Yet better coordination and collaboration between HRA and the rest of the workforce development system could confer real benefits. HRA offers programs in basic skills, such as literacy and GED preparation, and soft skills, such as resume writing and interview techniques, as well as more traditional job training. Virtually all of HRA's training is carried out through contracts with training providers. Because HRA's training is not coordinated with other training provided by the City, there is no process to determine whether, for example, the basic literacy training provided by HRA's contractors is better or worse than the same training provided at DOE and CUNY. Thus no one identifies the most successful practices, and no one eliminates approaches that are less effective.

While TANF is not one of the federal programs mandated by WIA to provide services through the one-stop system, states and localities are permitted to include TANF as a partner. Despite running the City's largest job placement program, HRA, with its TANF funding, is not a workforce system partner in New York City. The 43-page *2008-09 Local Plan Modification* the City filed with the State does not mention TANF nor any HRA program. In fact, HRA is mentioned only once in the entire document, specifically a reference to the web site for the *New York City Training Guide* being made available to HRA customers to search for providers for their training needs. This is a helpful step, but it falls well short of coordinating programs like Back to Work and the Workforce1 Centers. DSBS officials informed Comptroller staff that a public assistance recipient who visits a

12 The Workforce Alliance, "Training Policy in Brief," 2007, page 11.

13 The 115,290 figure is derived from training and caseload data from December 2007. Even if the caseload remains constant throughout the year, the actual individuals comprising that caseload (and hence the people being trained) will vary. Therefore, the number of individuals trained over the course of the year will exceed 115,290.

Workforce1 Center is treated like any other customer. However, because these visits are not “counted” by HRA and federal regulations toward required work activities, few such clients are actually seen at the centers.

Closer coordination and linkages between HRA and Workforce1 centers is possible. In 2002, Congressional testimony by the U.S. Government Accountability Office identified ways other localities linked TANF and their WIA One-Stop centers. These included shared intake or enrollment systems, integrated case management systems, coordinated planning, and shared client tracking. About half the states coordinated their TANF cash assistance, food stamp or Medicaid programs with the one-stops, electronically or by referral. There were informal links, such as periodic program referrals for information sharing. In Michigan, TANF clients were (in 2002) required to attend an orientation session at the one stop before they could receive cash assistance.

Closer coordination between the one-stop centers and agencies that administer TANF funds could provide a number of advantages:

- *It may be easier to ensure that TANF recipients will receive effective employment services.* The Workforce Alliance has noted that leaving TANF agencies outside the workforce development system “increases the likelihood that large groups of low-income individuals will be excluded from the full range of services that a truly coordinated WIA system could offer.”
- *There could be less frustration for employers who respond to multiple job inquiries from more than one government agency—the one-stop center and HRA.*
- *Planning for a comprehensive workforce system planning is facilitated.* Planning can become unified, perhaps such as to set up satellite one-stop centers in public housing areas to bring in low-income job-seekers, including TANF clients. Moreover, by keeping the systems entirely separate, Workforce1 services are planned and provided without knowing how many individuals in HRA programs are being prepared to work in the same fields. It is possible that too many people are being trained in some areas, while insufficient numbers are being trained in other fields that have job openings.

To be sure, there are legal and regulatory obstacles to combining the TANF and WIA systems. In particular, the regulations governing TANF specify details about the activities that count as participation and the number of required hours an individual must participate in order to count. Moreover, federal law has specified a set of detailed reporting requirements relating to individuals and families receiving TANF assistance. Virtually none of these requirements is the same for WIA. Failure to meet these standards and requirements results in substantial financial penalties for the State and the City. Since TANF is a much larger program than WIA, neither the State nor the City, quite correctly, is prepared to risk incurring these penalties.¹⁴

Nevertheless, coordination of TANF and WIA-funded programs is a WIA goal and much more coordination can be achieved in New York. According to the Workforce Alliance, “... WIA regulations state that governors and local workforce entities should ‘encourage the TANF agency to become a One-Stop partner to improve the quality of service to... TANF-eligible populations.’”¹⁵

14 Center for Law and Social Policy, *Integrating TANF and WIA into a Single Workforce System: An Analysis of Legal Issues*, February 2004.

15 The Workforce Alliance, “Training Policy in Brief,” 2007, page 69.

CEO may exacerbate workforce system fragmentation.

As stated previously, CEO was established in September 2007 to oversee the implementation of recommendations of a mayoral Commission on Economic Opportunity. The Commission made a number of innovative and important recommendations aimed toward reducing poverty in New York City, and CEO has developed cutting-edge programs to implement these recommendations, described earlier. However, only a portion of CEO activities are dedicated to workforce development. Conversely, only a portion of the population in need of and eligible for workforce development initiatives is included in CEO's target population.

According to the *CEO Strategy and Implementation Report*, CEO is "collaborating with City agencies, non-profits, and the private sector to implement 31 initiatives." It also collaborates with agencies to "monitor" and "evaluate" the implementation of its initiatives. CEO must work through and with an array of City agencies because it does not itself have the staff or capability to create and operate, or improve, programs. Therefore, whatever agency is the natural home for one of CEO's initiatives is given the responsibility for carrying out that initiative. There is an evaluation plan using an independent consultant; it appears that the consultant will go into each relevant agency and evaluate the implementation of a given initiative. Presumably, the agency commissioner will be held responsible if implementation is not carried out in a timely fashion. However, every agency has priorities of its own, and CEO initiatives may represent a small subset of the agency's overall activities. Thus, although CEO is in some ways serving as a high level oversight and evaluation body, in other ways it further complicates the lines of reporting and responsibility and adds to, rather than reduces, fragmentation.

DOE adult CTE is not integrated into the workforce development system.

Coordination of DOE adult CTE with the rest of the City's workforce development effort has been largely nonexistent. Adult CTE course offerings are developed without the benefit of extensive labor market information or skills gap analyses to determine the occupations with the greatest current and projected demand for workers. A DOE adult education official informed Comptroller staff that as part of the process for determining which courses to offer, DOE currently "elicits student input" and consults with staff at other large urban school districts in the state. DOE has tried to adjust its CTE offerings to meet "student needs" and recently added a manicure-cosmetology CTE sequence as a result of its own labor market assessments. However, another DOE adult education official advised Comptroller staff that DOE adult CTE programs would benefit by building a "partnership" with DSBS. "DSBS could and should share what they are seeing in terms of job trends," this official stated.

There is a statutorily-required CTE Advisory Council, comprised of volunteer members from business, labor unions, non-profits and academia, that identifies and helps develop CTE course sequences, but it is limited to high school CTE. There is no CTE advisory council on the adult level.

B. Workforce development and training for youth (DOE and DYCD)**High school CTE**

As stated previously, the 21 DOE CTE high schools have a total enrollment of approximately 28,000 and altogether some 110,000 students are enrolled in either the CTE high schools or in CTE electives or programs. All told, there are more than 500 CTE programs in DOE high schools, in topics ranging from automotive repair and nursing to the trades and computer graphics.

Many CTE programs lead to an industry certification, such as in CISCO networking or dental assistant, or to licensing, such as for Aircraft Maintenance Technician. CTE programs typically also offer opportunities to

participate in internships, apprenticeships, and other real-life work experiences outside of school. Clearly, high school CTE is a central component of the workforce development system, just as much as is customized training and WIA-funded individual training vouchers.

Nonetheless, the WIB and its sponsoring agency, DSBS, appear to take little notice of DOE CTE. CTE is mentioned in neither the *2005-2008 Workforce Investment System Local Plan* nor the *2008-2009 Local Plan Modification*. The WIB Executive Director sits on the statutorily-mandated CTE Advisory Council, but the Chair of the Advisory Council told Comptroller staff that his panel has no formal relationship with the WIB or DSBS. He stated that there are no joint efforts or programs. He also said that he believes that “workforce people should be more involved with CTE,” and, “Even if there is no formal relationship, we could work together on specific projects.”

A policy report on CTE issued in October 2007 by the Office of the Comptroller, *The Future is Now: Addressing the Skills Gap Through Career and Technical Education in NYC High Schools*, discussed the urgent need of CTE high schools for more help in developing partnerships with business. Partnerships are invaluable in developing student internships and job placements and generating donations of equipment by the business community. Currently, partnerships are developed primarily by principals of individual CTE high schools with some assistance from the CTE Advisory Council. The Advisory Council Chair stated that DSBS participation in developing new CTE course sequences and establishing partnerships between CTE programs and small business would be very helpful and welcome.

The Advisory Council Chair also said that CTE should be integrated into the City’s economic development strategy. As the city focuses on developing certain industries and sectors, “we could plant the seeds in high schools” to interest students in pursuing training in those fields,” he said. In its final report issued in July 2008, the Mayor’s Task Force on Career and Technical Education recommends that CTE “target growth industries.” To accomplish this goal, it would need to work with DSBS and be an integral part of the City’s workforce development plans.

In addition, as reported by the Center for an Urban Future, there currently is no longitudinal analysis that tracks CTE students after graduation to see whether they have obtained the skills they need to get a job that pays a living wage.

The DYCD focus

As discussed previously, the WIA funds directed towards youth are administered by DYCD. The WIB is responsible for the oversight and coordination of these programs but fulfills this responsibility mainly through its Youth Council, a WIA-mandated WIB subcommittee. The Youth Council reports to the WIB at WIB quarterly meetings, but beyond this the WIB and Youth Council minutes indicate that there is little involvement by the full WIB in youth-related workforce issues.¹⁶

The one-stop centers are focused on adults. Although people as young as 16 may use the one-stop centers if they have a high school diploma, the *2008-2009 Local Plan Modification* states that this population is not the focus of the centers. More important, the one-stop centers are set up to operate for the benefit of clients who are mainly self-directed. The needs of youth, and especially disadvantaged and “disconnected” youth, up to the age of about 24, are not likely to be met in this environment. Thus young people are not attracted to the centers, and the centers are not set up to handle young people.

¹⁶ A review of the minutes of Youth Council meetings from December 2006 through June 2008 (the most recent available) reveals that HRA, the Administration for Children’s Services and DOE were not mentioned in the text of the minutes.

It has been suggested by Howard Knoll, a nationally recognized expert in workforce services for youth, that a youth desk or a youth area could be created within the one-stop centers. Also proposed has been a separate youth-oriented one-stop. This appeared to be moving forward, but activity ceased sometime in 2004.

It is also unclear how much coordination of workforce development efforts there is among agencies whose mandate it is to work with youth. For example, as has been stated previously, the Department of Education appears to have only the most marginal involvement with the activities of the WIB and its Youth Council. DOE's programs are mainly operated by its Office of Multiple Pathways to Graduation (MPG). Understandably, they are primarily geared toward keeping the "over age, under credited" population in school, or, in the alternative, helping them earn a GED. The DYCD programs, in contrast, take place largely after school or in the summers. For example, MPG operates Young Adult Borough Centers, which are small, full-time evening academic programs designed for students who have been in high school for at least four years. At these centers, DOE has provided a community-based organization partner to provide career and college counseling and assistance with job placement.¹⁷ There is no indication that this function is in any way coordinated with similar efforts by DYCD.

In testimony before the City Council Committee on Education on November 14, 2007, on the restructuring of alternative high school programs, the Superintendent of Alternative High Schools and Programs said that older youth would be referred to one-stop centers in each of the five boroughs. However, as stated above, these centers are not really geared toward serving young people, and, again, there is no indication that there is any coordination with DYCD.

In addition, the Administration for Children's Services, which deals with the issues of foster care children who "age out" of the system and must become self sufficient, also does not appear to play a significant role. A few of the CEO pilot programs address the needs of youth, such as a DYCD administered Young Adult Internship Program and a program focused on the needs of court-involved youth in the South Bronx.

New CEO pilot programs may help a relative few more youths, but these are generally youth who are "disconnected," some of whom are involved with the criminal justice system. They are not directed at youth in school and are thus not connected to DOE programs.

C. CUNY workforce development and training

CUNY is integrated into the City's workforce development system by virtue of being a member of the Workforce1 Career Center Operator Consortium, operating the LaGuardia Community College Workforce1 Center in Long Island City, sponsoring the Workforce1/CUNY literacy program, and participating with the Department of Correction in the NYC Justice Corps. However, CUNY's major workforce development efforts operate outside the City's system.

- **Coordination of CUNY occupational certificates, AAS courses, contract/grant training with the rest of the City's workforce system is weak.** These offerings typically are not discussed at WIB meetings and they are not mentioned in the *2008-9 Local Plan Modification*. There appears to be minimal coordination between CUNY and the WIB to determine what areas of training would be best for the city, CUNY, and the people seeking the training. There has been little effort to integrate CUNY into the federally-funded voucher training program, for example. Most of the vouchers go to proprietary schools. Similarly, the Jobs to Build On program primarily uses community-based organizations and proprietary schools as training providers.

¹⁷ DOE and Parthenon Group, Presentation to NYS Regents and Commissioner SED, October 23, 2006.

- **Coordination of occupational training efforts is insufficient.** The largest elements of CUNY’s occupational training efforts are its occupational certificates, its occupation-oriented AAS degree programs, and its contract/grant supported programs. Other than for contract/grant supported programs, each CUNY senior and community college develops occupational course offerings on its own and relies on its own resources in gathering and analyzing any labor market information it may judge pertinent to new course development. There has been little attempt to align CUNY-wide training with citywide labor market trends.¹⁸

There are examples of inter-college planning and collaboration of workforce development programs within the system. For example, Lehman, Hostos, and Kingsborough Colleges collaborate in developing and teaching courses at the CUNY on the Concourse training center, an important and successful resource directed toward low-income, working adults. Also, the CUNY Adult and Continuing Education director informed Comptroller staff that some colleges in fact collaborate on occasion in designing and delivering certain training programs. These efforts are typically funded by time-limited outside grants.

There are a number of examples elsewhere of community college systems that are closely integrated into the public workforce development system at both the state and local levels. Unlike New York, New Jersey funds noncredit occupational training provided by its community colleges and is exploring ways to link noncredit with credit vocational programs. The New Jersey Commissioner of Higher Education and Commissioner of Labor and Workforce Development are working to better integrate community colleges and the workforce system, which is seen as key to sustaining economic growth in the state.¹⁹

Michigan funds two years of community college tuition for workers training for certificates or degrees in high-demand occupations. The state of Alabama has created a Focused Industry Training program that recruits One-Stop participants for training at community colleges supported by WIA and community college funds.

At the local level, the Chicago Mayor’s Office of Workforce Development (MOWD) is fostering closer collaborations between the MOWD’s network of community-based organizations that provide publicly-funded training and the City Colleges of Chicago to develop training curricula for high-growth fields facing worker shortages. Local WIBs and One-Stop Centers in Wisconsin, Alabama and New Jersey contract directly with community colleges to provide training in important sectors. For example, a local WIB in Wisconsin contracted with two community colleges to operate a practical nursing program for dislocated workers and pays tuition and fees with training vouchers.

A major obstacle to developing an integrated, citywide training system that closely coordinates with CUNY is the lack of central CUNY capacity to collect and analyze noncredit occupational training data. New York State is one of only 12 states that do not require colleges to collect and report information on their noncredit programs.²⁰ Limited data are collected under federal mandate for Perkins-funded programs. Interviews by Comptroller staff with CUNY central administrators indicate that each college devises its own data collection system to track

18 In 2006, Queensborough Community College asked CUNY’s Center for Urban Research to help the college identify the geographical distribution of firms in industries with wage and job growth “as a resource for students and faculty.” Supported by a federal Perkins grant, the result was a useful, but limited, map resource, based on data from the Quarterly Census of Employment and Wages (QCEW) program. The maps are available at www.urbanresearch.org/resources/workforce-trends-in-the-nyc-region. The college was obliged to pursue this on its own, for lack of an adequate local labor market information system.

19 GAO 08-547

20 Van Noy, Michelle, et. al., *The Landscape of Noncredit Workforce Education: State Policies and Community College Practices*, Community College Research Center, 2008, p. 46.

noncredit enrollment and awarded credentials. Without adequate and consistent data, it is difficult to analyze, coordinate and deliver integrated training. An official at CUNY's central Office of Adult and Continuing Education informed Comptroller staff that a new central information system that will collect data from all CUNY colleges is under development, but will take several years to come on line.

D. The role of the New York City Workforce Investment Board

The federal Workforce Investment Act intends local WIBs to play a central role in overseeing a local area's workforce system. WIA rules and regulations contemplate a "strong role for local workforce investment boards..." and direct them to focus on "strategic planning, policy development and oversight of the local workforce system."²¹

In New York City, the WIB's *2008-09 Local Plan Modification* notes, "WIA requires coordination" among all U.S. Department of Labor funded programs "as well as other workforce investment programs administered by the U.S. Departments of Education, Health and Human Services and Housing and Urban Development." And the WIB's 2008-2010 Strategic Plan assigns the WIB an ambitious role, to ensure "the City's workforce system can deliver the skilled workers that local businesses need to grow, compete and prosper in the 21st century economy."

Nevertheless:

- *The NYC WIB does not take a broad view of workforce development. Its scope tends to be limited by the mission of its home agency, DSBS.* As seen in WIB meeting minutes and from observations by Comptroller staff who have attended WIB meetings, the New York City WIB limits its work to oversight and coordination of WIA-funded programs for adults administered by DSBS and to a lesser extent youth programs administered by DYCD.²² As discussed above, the New York WIB has not dealt with HRA programs such as the Back-to-Work program for TANF recipients or with DOE Career and Technical Education and adult education programs. Nor has the WIB extended its purview to discuss CUNY occupational certificate or AAS or customized training programs and how these relate to training programs being offered elsewhere in the workforce system. A DSBS official told us that DSBS staff "don't think of [themselves] as separate from the WIB."

To effectively plan and develop policy, all of the elements of a local workforce development system need to be considered. There are indications that the WIB is beginning to recognize this and act accordingly. The *2008-09 Local Plan Modification* discusses a new collaboration with the Mayor's Office of Adult Education to integrate workforce development with adult education, although, according to a WIB official, such collaboration has not yet passed beyond the early discussion stage. That same official informed Comptroller staff that the WIB can be a voice beyond its WIA partners and an advocate at the State level. In one such initiative, the WIB is sponsoring roundtable events to discuss best practices in various aspects of workforce development. Other initiatives similarly involve roundtables, panel discussions, gatherings of businesses and workforce developers, and other networking forums. There seems to be no effort to have the WIB perform any significant coordination or oversight of non-WIA-funded workforce development activities.

- *WIA-funded programs on which the WIB concentrates are only a small part of the workforce system.* The

²¹ 65 FR 49294, August 11, 2000.

²² The first of six "WIB Key Priorities" listed in the Proposed 2008-2010 Strategic Plan (issued in December 2007) is, "Advance the performance of the City's workforce services and conduct effective oversight of the WIA-supported system to ensure high functioning workforce services." [Italics added]

WIA-funded portion of the City's workforce development efforts, the focus of the WIB, is actually by far the smallest component of the program, and it is declining. WIA funding in FY 2008 amounted to \$78 million (\$48 million for adults and dislocated workers, and \$30 million for youth). These amounts represent 28.7 percent of the DSBS budget and 7.4 percent of the DYCD budget, respectively. In contrast, HRA spent \$389 million for workforce development (largely TANF funds). DOE spent \$208 million on CTE high schools and \$42 million on adult education.

In terms of the numbers of people served, WIA-funded activities represent the smallest part of the City's efforts.

Agency/program	Individuals trained or to be trained ²³	Individuals placed
HRA	115,290*	74,900
DOE	CTE High schools: 28,000 CTE other schools: 82,000 CTE adult education: 7,800	NA
CUNY	Occupational certificates: 29,565** AAS degrees: 4,265 Contract/grant programs: 90,585 Non-credit vocational preparation courses: 38,805	NA
Workforce1 Centers	Individual vouchers: 2,419*** Customized training: 1,763****	16,641 (All placements through Workforce1 Centers)
Other DSBS	2,350 individuals to be trained in CEO-related DSBS initiatives	

*Derived from HRA and MMR data. Estimate is at a point in time and does not account for the fact that people enter and leave the cash assistance rolls during the year; thus more than 115,290 different individuals are likely to have been trained.. **Estimate based on data supplied by CUNY. ***WIB Executive Committee handout May 2008; these are ITGs issued. ****WIB Executive Committee handout, May 2008

III. Workforce Development Planning is Hampered by a Lack of Comprehensive Data and Analysis

New York City workforce policymakers and frontline staff urgently need in-depth, up-to-date labor market information and analysis.

Effective workforce development requires extensive, up-to-date knowledge of the local labor market, especially reliable information on current and projected job growth and skills needs in the city's industries and occupations. This information allows for targeting of public training resources to occupations and industries that are most important to the city's growth and prosperity while also meeting the needs of the unemployed and underemployed. The importance of such knowledge was recognized in the 2005 Strategic Plan, which listed "Provide Critical NYC Workforce Information" as one of the three "WIB Primary Roles."

²³ The numbers of individuals trained or to be trained and individuals placed are generally for 2007 and 2008. The specific year for each estimate can be found in the bulleted description of each item in the main text.

In November 2006, the WIB released a report, *Design for a New York City Workforce Information System*, prepared under contract for DSBS by the John J. Heldrich Center for Workforce Development at Rutgers University.²⁴ The introduction to report stated, “[U]p-to date and accessible workforce information—comprehensive data and analysis about the labor market— is more important than ever.” The report described a number of “users’ needs” for workforce information in New York City, including:

- “There is little consistent use of workforce information to support decision making...” and, “Anecdotal, unofficial information is frequently used to make important decisions. This was reported by nearly all users – from job seekers to policymakers.”
- “...City government needs more dedicated capacity for workforce information analysis... Many other public organizations, including the WIB and the Department of Small Business Services, currently do not have any dedicated capacity for workforce information analysis” and “there is little regular, systematic analysis of business and workforce trends...”
- “...virtually all users want information that is occupation-specific, industry-specific, and as local as possible. To facilitate better decision-making, consumers require up-to-date, fine-grained data that can be sorted by occupation, industry, and borough.”
- “Finally, users pointed to a gap in the available information on workforce labor supply. ... Employers were particularly interested in understanding labor force availability by sector and sub-sector.”

New York City’s workforce development planners have been relying on a scattered array of sources for labor market information. These include periodic *New York City & Borough Snapshots* issued by the Workforce1 Career Centers that provide a one-page outline of the employment outlook and economic base of each borough; and data assembled by federal sources including the Bureau of Labor Statistics (economic sector breakdown and location quotients), the U.S. Census (e.g. the Community Development HotReport²⁵ and Infoshare²⁶) and the New York State Department of Labor (monthly employment data).

To help make the disparate data currently available into a coherent whole, the City produced a “map” of publicly available data on the City’s labor market and economy, according to the WIB’s *Proposed 2008-2010 Strategic Plan*. But New York City has yet to develop a comprehensive labor market information system that combines, analyzes and interprets information from federal, State and local sources and that meets the needs of users identified in the Heldrich Center report.

24 The Heldrich report explained that the WIB engaged the Center “to map the landscape of workforce information in New York City and to recommend a design for a local system that would collect and disseminate that information.”

25 The HotReport Web site says it “gives communities a multi-faceted view of conditions using charts, maps, tables and dynamic text. Topics include the economy, transportation, housing, schools, and much more. The top industries and occupations as well as wages for an area workforce can be retrieved in a click or two...Information comes from a variety of sources including the Department of Labor’s Quarterly Census of Employment and Wages and State Occupational Projections; the Department of Education’s Common Core of Data and Integrated Postsecondary Education Data System; and from the Census Bureau’s Local Employment Dynamics (LED), Census 2000, American Community Survey, Population Estimates, and County Business Patterns. Data are maintained and updated by the collecting agency.”

26 InfoShare is an interactive online service providing population statistics, immigration trends, socio-economic indicators, birth and death data, local trade data and more. The data is drawn from U.S. Census information and currently covers New York City and New York State.

Thus, in effect, the City has been “flying blind” with respect to where to invest scarce training funds. At best, some publicly-funded training programs, such as the WIA-funded Individual Training Grants mentioned earlier, are required to direct training toward what the State Labor Department calls “growth occupations.”

Some other cities have been more active in developing the tools to understand their labor market and to develop the sorts of in-depth analyses needed to ensure that training and other workforce development investments meet employer needs, address current and potential skills gaps, and align with the City’s economic development priorities. These efforts in several cities that have prepared more extensive labor market analyses are described in Appendix C.

New York City has finally, three years after the need was identified, deployed an LMIS, but its usefulness may be somewhat limited, particularly over the next year.

Among the Heldrich Center recommendations for a New York City LMIS are:

- Regular, in-depth industry studies—including interviews with employers and industry experts—“of industries that hire, or have the potential to hire, large numbers of Workforce1 Center customers and young people served by the workforce system.”²⁷
- “Prepare in-depth profiles of new and growing occupations.” For example, San Diego issues an annual occupational report that profiles characteristics of about 30 new or growing occupations, based on a survey of local employers.
- Build a NYC careers website to meet the needs of major user groups: job seekers, youth, policymakers, program managers, workforce staff, and employers.

With funding from the New York City WIB, the CUNY Center for Urban Research has developed an LMIS that will synthesize demographic, employment, industrial growth, and other labor market data from numerous sources and make them available to DSBS and other City agencies for workforce development planning purposes. However, the New York City LMIS now being developed has a number of significant limitations that are delaying or that will limit it from fulfilling the vision and specific recommendations of the Heldrich Center:

- *Slow roll out.* The first in-depth sector study,²⁸ of four transportation sector sub-sectors,²⁹ was released in September 2008. According to WIB officials, their intention has been ultimately to release a study on a different sector each quarter. However, more recently, Comptroller staff was told that over the next year it is likely that only one more sector study will be issued, and work on it will not begin until feedback is received on the transportation sector study. Therefore, it could be a few years before all of the sectors that now employ

27 Among major sectors that place large numbers of Workforce1 Center customers in jobs are finance, insurance, manufacturing, health care, social assistance, retail, accommodation and food service, transportation and warehousing.

28 This study, referred to by the WIB as a “profile,” is nearly 80 pages long in draft form. For each sub-sector, it looks at employment and wages, occupations, current workforce characteristics, and draws conclusions and recommendations. For each sub-sector, it assesses importance to the region’s economy and economic development; the position of the sub-sector, especially in relation to economic upturns and downturns; the sub-sector’s defining characteristics, and trends in demand. It includes detailed data on numbers of jobs in the sub-sector, where they are located, and how wages and jobs have changed since 2000. The study relies in part on extensive interviews with employers and industry experts, as well as on analysis of existing data and review of trade and scholarly literature. It is geared toward frontline workforce system users such as job developers and for training providers in developing curricula.

29 Aviation, trucking, transit/ground passenger, support activities for air transportation.

significant numbers of Workforce1 customers are covered, even without surveying other sectors with the potential to employ Workforce1 customers and other sectors in the broader economy that may be important to the city's competitiveness and growth. Until the number of in-depth sector studies reaches a critical mass, users will continue to lack much of the "occupation-specific, industry-specific, and local" information they need.

- *No employer surveys.* Some cities have augmented their labor market information analysis with employer surveys. A periodic broad-based employer survey compiles detailed data on business staffing patterns, wages, hiring projections, relocations, investment and expansion plans, difficult-to-fill vacancies, employee benefits, and skills that are needed and in short supply. It can be supplemented by employer focus groups. When aggregated geographically by industry sector, occupation and size of business, and disseminated through an Internet web site, this information can be invaluable for targeting workforce development resources to where they will be most effective and assessing skill mismatches within sub-areas of a larger labor market.

The University of Wisconsin Employment and Training Institute Milwaukee employer survey, conducted twice a year by mail with telephone follow-up, is one example of an employer survey being used in program planning, training and policy development.

The Director of the Northeastern University Center for Labor Market Studies³⁰ told Comptroller staff that he strongly believes in the value of regular employer surveys since they provide information regarding exactly where (what occupations and industries) employers have vacancies that are hard to fill and whether these vacancies persist over time. This information shows where to target training. In addition, the surveys can provide other useful information, such as the job competencies employers seek.

- *Limited analysis of labor supply.* An analysis of the supply of trained labor in various fields is also a vital component of a Labor Market Information System. This should include the numbers of people trained each year in specific fields and occupations, including those trained through vouchers, trained at CUNY, trained by DOE and HRA, and those trained by proprietary schools. How many graduates there are of proprietary schools are not available from the State Department of Education, which has oversight responsibility for these schools. It would require a survey, similar to the employer survey discussed above, to determine how many people are being trained, and in what fields.

With only limited supply side data it is difficult to determine whether public training dollars are helping to fill a skills gap or instead contributing to an oversupply of new workers relative to job openings.

On behalf of the WIB, work is expected to start in late 2008 on an overview of strategic sectors in the city economy and the city's labor market, including salaries and demand for workers, job placements by sectors, and other pertinent information. It will be used to help determine which sector to next study in depth. Nevertheless, the City is planning to issue RFPs this fall for two additional sector-based Workforce1 Centers. And the transportation sector was selected as the first sector-based Workforce1 Center in response to a previous RFP, and without the benefit of a citywide labor market and economic review.³¹

³⁰ The Director, Andrew Sum, professor of economics at Northeastern University, has analyzed workforce policy for state and local governments.

³¹ As noted in a presentation given at the June 2008 WIB quarterly meeting, transportation was favored because the transportation industry is considered integral to the City's economy; a large volume of WIA-funded Individual Training Grants had already been granted in this field, which indicated there is a high demand for transportation workers; and the transportation field offers good career ladders.

IV. Recommendations

New York City's workforce development system is substantially improved over the system in place just five years ago. Since mid-2006, the WIB's Workforce1 system has screened, matched and placed in jobs more than 4,000 New Yorkers each quarter, up from no more than 1,500 a quarter in 2004 and 2,600 a quarter in 2005. With the opening of the first sector-based Workforce1 Center, the City is beginning to implement a sector-based approach that promises to make workforce development more responsive to the unique needs of employers in different industries. A labor market information system has begun to be rolled out.

But the challenges faced by workforce development system are intensifying. With the City's economy increasingly dependent on the financial services sector—in 2007 financial services accounted for 25 percent of city wages, double what it was 12 years ago—and with that sector now experiencing significant restructuring, it is more important than ever that New York City's workforce be qualified to work in fields that promise growth and economic diversification. The Office of the Comptroller therefore urges that a comprehensive effort be made to build an integrated, coordinated publicly funded workforce development system. The City should:

- **Establish a Mayor's Office for Skills Education with responsibility for all of the City's workforce development programs.** To maximize the effectiveness of the City's workforce development system, resources must be coordinated among and leveraged from multiple partners, including the WIA-related system, public assistance programs, economic development programs, and the private and non-for-profit sectors.
 - All City agencies should report on their workforce development activities to the Mayor's Office for Skills Education.
 - Since low educational attainment has been identified as a significant factor in the skills gap for mid-skills jobs, the Mayor's Office for Skills Education should work closely with DOE to ensure that the City's high school graduates have attained the basic skills necessary to succeed in the workplace.
 - Organizationally, the WIB should be moved from DSBS to the Mayor's Office for Skills Education, and the Office staff should act as staff to the WIB. (Currently, DSBS staff acts as staff to the WIB.) This would ensure communication and coordination among the activities of the WIB and the workforce development activities of all mayoral agencies.
 - The Mayor's Office for Skills Education should act as liaison on workforce development to CUNY, NYCHA, HHC and the State and federal governments.
 - The Mayor's Office for Skills Education also should work with agencies to leverage private funding and involvement, and should oversee the City's efforts to receive federal and State government grants available for workforce development.
 - The Mayor's Office for Skills Education should oversee the Labor Market Information System, prepare periodic skills gap reports, sponsor the City's workforce Web site.
 - The Mayor's Office for Skills Education should initiate longitudinal studies for CTE high schools and other training programs to determine whether graduates get and keep jobs that pay a living wage and have a career ladder.

- The Mayor's Office for Skills Education should serve as a central, extensively publicized information source for the entire workforce development system. Its web site should list all publicly financed training and skills upgrade programs in the city, from CUNY certificate programs and the Summer Youth Employment Program to WIA-funded individual training grants and adult Career and Technical Education programs, with a brief description of each program—including program eligibility standards—and links to more information on each. There should be a telephone number to call to order a hard copy of this list.
- **Broaden the reach of the WIB.** Because New York City's WIB is housed in DSBS, its focus tends to coincide with that of its home agency. Therefore, it focuses more on adults than on youth, and it does not seek to coordinate in any meaningful way the programs operated by HRA, DOE, NYCHA, HHC and others.
- **Expedite development of a full-fledged Labor Market Information System.** The City must accelerate preparation of its in-depth analyses of individual sectors. As part of its efforts to analyze the City's labor base, the Mayor's Office for Skills Education should conduct periodic citywide surveys of a large broad-based sample of employers to ascertain their employment projections and employee skills needs and areas of skills shortages.
- **Increase the role of CUNY community colleges as a workforce development training provider.** City agencies that contract with vendors to provide training, both in basic skills and in job-specific areas, should consider entering into demonstration projects, as described in the Rules of the City's Procurement Policy Board, with CUNY community colleges to provide some of such training. Programs that could be carried out by CUNY community colleges include "work readiness" training aimed at improving the basic skill levels of New Yorkers, such as that provided by the HRA BEGIN program; training leading to certificates in specific fields; training funded by DSBS for incumbent workers to help them progress up a career ladder; initiatives of CEO, including the Employment Works program, the Work Rewards program, and the FSET pilot program; and, within the constraints of WIA, training provided with ITGs issued by the Workforce 1 Centers, of which, Comptroller's staff found, 90 percent currently go to proprietary schools. It is probable that the CUNY community colleges would have to adapt some of their current policies and procedures to effectively participate in such a demonstration project. In addition, the community colleges should mount a bus and subway advertising campaign to publicize the efforts they already make in providing this type of training.
- **Develop and periodically update a truly citywide, multi-year workforce plan that ties together workforce development and training programs in public schools, those offered through HRA, the skills development initiatives of CEO, and youth programs provided through DYCD.** It is important to develop a multi-year planning horizon to align long-term training investments with expected trends in occupational demand. It should also take into account other workforce development efforts such as the training programs run by the Consortium for Worker Education and the Service Employees International Union, Local 1199, the union representing health care workers.
 - A comprehensive plan should identify priority sectors and occupations based on detailed labor market information, including the results of extensive employer surveys and interviews. The current approach is not even an amalgam of sector analyses.
 - Current planning focuses primarily on programs operated through the City's Workforce1 Career Centers and by DSBS. *A comprehensive plan should integrate the full-range of the City's workforce development programs*, such as the HRA Back to Work Program with the City's Workforce1 Centers. The adult education

programs directed toward improving work readiness by addressing basic education skills at CUNY and at DOE should be coordinated both with each other and with the BEGIN program at HRA, and CTE high school graduates should be guided and tracked. In addition, the programs operated by NYCHA and HHC, and those under the auspices of the CEO, need to be considered in the development of a truly comprehensive and coordinated workforce development system.

- **Make labor market and job search information much more accessible at www.nyc.gov** New York City should put a box on the front page of nyc.gov that says “Looking for a Job?” with hyperlinks to the Mayor’s Office for Skills Education and its comprehensive directory of training programs, the Workforce1 Career Center web site, public and private job boards, the New York City Training Guide site, and newly created data base of comprehensive local labor market information including which are the growth industries.
- **Consider opening a youth-friendly One-Stop Center.** In August 2004, youth representatives of the Youth Council and Youth Board observed activities at the Brooklyn Workforce1 Center. The purpose of the trip was to provide findings on how to develop a youth-friendly One-Stop. Since then, however, these efforts have stalled.
- **Advertise the Workforce1 Centers and the Mayor’s Office of Skills Education workforce information Web site and phone line—in subways and buses.** Although 41,671 people registered for services at the Workforce1 Centers last year, and many others may have visited the Centers just to peruse job listings, there are still large numbers of New Yorkers in need of job preparation, training and placement that do not know these services exist. A broad-based public service advertising campaign would help increase awareness.
- **Finally, the federal government should increase—not decrease—funds for training and other workforce development services under WIA Titles I and II and increase funding under the Perkins Career and Technical Education Improvement Act.** Unfortunately, the City is anticipating a large reduction in WIA funds. The City’s federal WIA funding for adults and dislocated workers is expected to decline from \$65 million FY 2007 to \$54.2 million in FY 2009 and \$47 million by FY 2010. According to the U.S. Government Accountability Office, current federal government spending on workforce development is only 11 percent of what it spent in 1978 in real dollars. The strong anticipated demand for workers with post-high school-level skills in the city, state and nation requires a significant new public investment in training and education.

Implementing these recommendations would be a major step toward ensuring that New York remains a city that provides opportunity for all who want or need it. We must make certain that our residents can acquire the skills first to help them become self-sufficient, and then to ease their pathway out of poverty and into the middle class. At the same time, the city will improve its competitive position by ensuring that it has a workforce trained to fill positions in fields vital to our city’s continued prosperity.

Appendix A

The Chicago Mayor's Office of Workforce Development

The Chicago Mayor's Office of Workforce Development (MOWD) is responsible for a wide range of workforce development efforts. MOWD seeks to be comprehensive and to coordinate an wide range of workforce programs. According to the MOWD *2007 Annual Report*, "We work to align economic development, education and workforce development systems within the City, to benefit businesses and job seekers and continue to build wealth in our communities." The MOWD web site explains that WorkNet Chicago "is the workforce system led by MOWD that effectively integrates a comprehensive network of programs and solutions for use by Chicago residents and business."

Programs that MOWD directly administers or coordinates serve everyone, from high school students enrolled in Career and Technical Education programs to adults with barriers to education. Many programs similar to these can be found in New York City. However, there is no overall coordinating body.

MOWD oversees and/or coordinates:

- *One-stop workforce centers.* MOWD operates five WIA-funded one-stop job centers and two sector-based centers, one in manufacturing (ManufacturingWorks) and the other in services (SeviceWorks). The centers work closely with Workforce Solutions, another MOWD program, which helps businesses find, train, and retain employees.
- *Chicago Public Schools workforce related programs.* MOWD works closely with the public schools. For example, collaboration among MOWD, the Chicago Manufacturing Renaissance Council and the Chicago Public Schools led to the opening of Austin Polytechnical Academy. This high school prepares students for jobs in high-tech manufacturing and offers paid internships with local manufacturers. It is expected to serve 600 students and graduate its first class in 2011.

As noted in the main text, the 2007-2011 MOWD Strategic Plan calls for stepping up collaboration between MOWD and the public schools.

- *Populations with barriers to employment.* According to the MOWD web site, "Through additional affiliate agencies located throughout the City, MOWD operates several innovative programs that serve the needs of individuals with barriers to employment, including: residents of high poverty zones, TANF recipients, CHA [Chicago Housing Authority] residents, homeless individuals, ex-offenders, persons with disabilities, veterans, and persons with limited English proficiency."
- *Youth programs.* MOWD oversees the city's summer youth program and WIA-funded programs for in-school youth and out-of-school youth.
- *Community Development Block Grant (CDBG) programs that provide training, placement and retention services.* In addition to the programs targeted at most of the populations with barriers to employment listed above, according to the MOWD web site CDBG grants also cover domestic violence programs "that provide survivors with an opportunity for economic self-sufficiency through employment in conjunction with abuse counseling services" and "customized training and placement programs" that "emphasize a partnership that is cultivated between employer and delegate agency."

- *Tax Increment Financing (TIF) Works*. The TIFWorks program provides grant funds for workforce training to businesses located in Tax Increment Financing districts.
- *Skills Builders*. This is a 13-week program that offers participants the opportunity to explore a variety of skilled trades, learning through a combination of hands-on experience and classroom instruction. Skills Builders was placed under the direction of MOWD in 2005.

Chicago's 2007-2011 MOWD Strategic Plan calls for even more coordination and collaboration:

- *City Colleges of Chicago (CCC)*. MOWD already partners with community colleges. For example, Harold Washington College offers a degree in hospitality and a bridge program that works with the ServiceWorks one-stop center. MOWD recently announced that it is partnering with Wilbur Wright Community College on student internships with local manufacturers. The 2007-2011 MOWD Strategic Plan calls for further expanding MOWD's relationships with CCC "through collaboration on curriculum, targeting training to high growth, critical shortages fields."
- *Public housing residents*. Collaborative efforts between MOWD and community and other organizations will serve directly or through referral "high numbers of Chicago Housing Authority (CHA) residents and other targeted groups."
- *Business attraction and expansion efforts*. Continued collaboration with the city's Department of Planning and Development and the Illinois Department of Commerce and Economic Opportunity, particularly "by developing a significant role for WorkNet Chicago in all business attraction/expansion discussions."
- Expanding the use of "*bridge programs and career ladders*, providing low-skilled jobseekers with multi-step processes to acquire high-skill, high-wage jobs."
- *Public schools*. One of the seven "guiding principles" of the 2007-2011 Strategic Plan is to "cultivate partnerships with education in order to guide educational and training activities that develop pipelines to meet current and future business needs." More specifically, the sixth of the 23 Strategic Plan performance objectives is, "Develop programs and events in partnership with Chicago Public Schools that educate, market and direct youth to careers in high-demand jobs".

Appendix B

Training and Employment Funds, FY 2008

Source	Amount (millions)
HRA Employment Services Contracts	\$ 146.1
HRA Employment Services Admin	\$ 27.3
HRA Subsidized Employment & Job-Related Training	\$ 123.2
Food Stamp Employment & Training	\$ 56.3
PA and Employment Admin	\$ 25.0
General Administration	\$ 11.0
Subtotal HRA	\$ 388.9
DSBS Business Development	\$ 5.5
DSBS One Stop Centers	\$ 23.0
DSBS Workforce Dev. Program Mgt.	\$ 12.4
DSBS Workforce Dev. Training	\$ 22.9
DSBS WIB	\$ 2.2
DSBS Agency Admin and Ops	\$ 5.3
Subtotal DSBS	\$ 71.3
DYCD Adult Literacy	\$ 14.0
DYCD Community Development Progs.	\$ 25.0
DYCD General Administration	\$ 16.0
DYCD In School Youth	\$ 14.2
DYCD Other Youth Programs	\$ 31.4
DYCD Out of School Youth	\$ 8.4
DYCD Summer Youth Employment	\$ 56.1
DYCD NDA Youth	\$ 1.7
DYCD NDA Adult	\$ 0.6
Subtotal DYCD	\$ 167.4
CEO Opportunity NYC: Work Rewards	\$ 16.2
CEO Rikers Island Expansion	\$ 2.8
CEO Nursing Career Ladders	\$ 5.4
CEO Employment Works	\$ 1.8
CEO NYC Justice Corps	\$ 4.8
CEO Young Adult Internship Program	\$ 9.4
Subtotal CEO	\$ 40.4
DOE Adult Ed	\$ 41.8
DOE HS CTE Perkins	\$ 20.7
DOE HS CTE non-Perkins	\$ 187.5
Subtotal DOE	\$ 250.0
City Council Jobs to Build On	\$ 3.0
City Council CWE	\$ 3.3
City Council Workforce Development	\$ 3.0
Subtotal City Council	\$ 9.3
Grand Total	\$ 927.3

Appendix C

Cities That Have Conducted In-Depth Labor Market Analysis

Chicago

Chicago has undertaken extensive local labor market research to guide its sector-based workforce development strategy and to identify specific occupations confronting labor shortages. In 2002, the nine regional WIBs comprising the Workforce Boards of Metropolitan Chicago consortium undertook a comprehensive “community audit” of the region’s economic and labor force structure and expected trends to identify important industry sectors confronting skill shortages that might be targeted for public training investments. Six such sectors were identified: health care; manufacturing; transportation, warehousing and logistics; finance and insurance; information technology; and hospitality and tourism.

The WIB consortium followed by convening sector “summits” of business representatives, educational institutions, and government to propose practical solutions to the key workforce challenges in each sector. The WIBs also gathered detailed information on sector-specific labor supply and demand by conducting surveys and focus groups with employers, current workers in the sector, and Chicago public high school students (to assess their knowledge of, and interest in, occupations in the sector). In addition, the consortium evaluated sectoral career paths, assessed the capacity and cost of existing regional training programs for occupations confronting labor shortages, and examined public and private policy and regulatory issues bearing on workforce development in the sector.

This comprehensive information gathering—which the WIB consortium has completed for three sectors, healthcare, manufacturing, and transportation—has given the consortium the data it needs to target public investments where they are likely to do the most good for the jobseeker and the region. For the healthcare sector, for example, the Workforce Boards determined to concentrate its training investments in occupations that met the following criteria:

- Projected demand for skilled workers in the occupations exceeds projected supply;
- The occupation provides adequate wages and benefits;
- Bridging the occupational skills gap is critical to the industry's competitiveness;
- The occupation requires two years or less of post-secondary study for entry-level employment and is appropriate for public training investment.

The Workforce Investment Boards have also developed online training modules in the healthcare and manufacturing sectors to educate regional One-Stop center staff on specific workforce challenges and employer needs in these sectors. Armed with this information, Chicago has also launched a series of sector-specific training programs.

Milwaukee

Since 1993, Milwaukee has conducted an employer survey at least annually, collecting information on job vacancies, occupations with labor shortages, and employer skill, training and education requirements. Milwaukee

also undertakes occasional in-depth analyses of the local labor market for individual occupations—a recent one was done for welding—that are informed by targeted surveys of employers. These surveys provide valuable information that is not available from other data sources, including specific occupations local employers have difficulty filling, the job competencies employers require, the skills shortcomings of job applicants and recent hires, and the skills that should be emphasized in publicly supported training programs.

San Diego

The San Diego Workforce Partnership—a public/private entity that coordinates workforce development for San Diego city and county—issues an annual *Occupational Outlook Report* that profiles almost 70 local occupations based on information drawn from an employer survey. The report tabulates a broad range of valuable occupational data, including wages, benefits, work hours, education, training and experience requirements, important job skills, difficulty filling job openings, recruitment methods, worker turnover, employers' job outlook, career ladders, employer willingness to hire ex-offenders, and employer planning for replacing a maturing workforce. The report is disseminated to high schools, community colleges and universities, career centers, employers and others throughout the county.

The Partnership also collects and analyzes data on local industry clusters to identify training priorities. The San Diego community college district then draws on this information to align its occupational training offerings with these priorities.

Denver

In 2007, the city and county of Denver published a comprehensive *Regional Workforce Gap Analysis* report that quantified workforce supply and demand in the Denver metropolitan area through the year 2011. Researchers synthesized published data sources to identify ten major occupational gaps, where demand for workers in the metro labor market is likely to exceed supply during the projection period. The study then identified four principal local industries that employ the workforce gap occupations and convened focus groups with business leaders in these industries to identify the specific skills employers seek, worker recruitment methods, and employer training systems and needs. ■