



**Testimony of New York Association of Training & Employment Professionals
Before the Joint Legislative Hearing on the 2018-2019 Executive Budget**

Workforce Development Hearing: January 24, 2018

Presented by Melinda Mack, Executive Director

My name is Melinda Mack. I am the Executive Director of the New York Association of Training and Employment Professionals (NYATEP), also known as New York State's workforce association. Our 150 member organizations are deeply committed to workforce development as economic development and serve more than one million New Yorkers each year. At NYATEP, we strongly believe that our human capital is our greatest natural resource, and should be the center of our state and local economic development strategies. Founded in the late 1970's, our association represents every county in the State, and includes workforce boards, providers of economic development, unions, colleges, literacy, education, job training, and employment services. Our members range from small community based organizations that work within neighborhoods or with special populations, such as veterans, youth, or New Yorkers with criminal justice histories, to huge institutions state universities.

I am here today to talk about a problem that is vexing the State of New York – the shortage of skilled workers. This is not a new issue. It is an issue that has been confounding local communities for decades and in recent years has become an agenda item for economic development offices and elected officials, who are struggling to recruit and retain businesses due to the lack of skilled labor. Now that we have the attention of a wide audience, we are here today to advocate for a real solution to our State's skills gap. As the jobs and the skills needed for work have adapted; the way we as a State address workforce development needs to change dramatically.

New York's focus and investment in a "skills agenda" has been focused more on talk and far less on action. Over the last decade, as technology has radically transformed jobs, our response has been to let the statewide 'job training' system erode as the federal government has cut funding by more than 50%. In turn, the State has dramatically scaled back, flat-funded, or chosen not to direct resources for the programs that get New Yorkers the basic education, work readiness, and employer-specific skills needed. In a detailed analysis we completed with the Center for an Urban Future, *Seeking a State Workforce Strategy*¹, we found that just since 2009 funding has decreased by nearly \$30 million in New York State alone, with deeper cuts on the horizon.

The Governor and State Legislature have made investments in important skill development pipelines, including investing in the State University of New York, the City University of New York and the Career and Technical Education, including P-tech schools. These investments should continue, and are critical to ensuring that young adults and adults who are ready to access high quality postsecondary and higher education have a pathway to do so. Additionally, the Workforce Development Institute has been a key source of responsive revenue for partnership on the ground to support businesses and job training

¹ *Seeking a State Workforce Strategy, 2015, nycfuture.org/pdf/Seeking_A_State_Workforce_Strategy_Update.pdf*

programs. However, the Governor has widely ignored the more than 4 million New Yorkers (41%) with a high school diploma or less, who may dream of a college degree or a good paying job, but lack the literacy, numeracy, work-based experience or skills to achieve these goals.

Despite limited resources, the federally funded statewide workforce system – the network of one-stop career centers, Workforce Boards, community-based organizations, literacy programs, and non-credit workforce programs at colleges -- serves hundreds of thousands of New Yorkers each year, and leverages millions of dollars in local and philanthropic investments. To give you a sense of the local scale:

- New York City helped more than 140,000 New Yorkers and 8,000 business and leveraged more than \$70 million in private philanthropic support to serve hundreds of thousands more;
- Rochester served 15,000 New Yorkers and nearly 150 unique businesses; and
- The Finger Lakes area served more than 4,500 New Yorkers, and nearly 120 businesses.

I share this with you to underscore the infrastructure is already in place; including programs and relationships with businesses that are ready to scale – the system simply lacks funding and a statewide vision for the future.

This year the tide is turning. The Governor has put forward an ambitious agenda to redefine how New York approaches workforce development. This is exciting, and as I described, desperately needed. From Buffalo to Plattsburgh, to Garden City to Syracuse and the Bronx – when you speak with employers, they will tell you one of their key issues is finding and retaining talent. As detailed in our 2017 State of the Workforce Report: 14% of New Yorkers have LESS than a high school diploma and the young adult unemployment rate is more than double the state rate at 10.5%, with New York City youth unemployment at a rate of 14%. Additionally, nearly a quarter of New York’s workers are ages 55 and older and nearing retirement, further exacerbating the skills gap and worker shortage.

The Governor has presented an incredible opportunity for our State to rethink, with key stakeholders, how it sustainably invests in job training as economic development; how it creates an easily navigable system for businesses and New Yorkers; and uses data to drive policy decisions. We feel strongly that the Legislature should seek information about the Governor’s proposal to ensure it is responsive to local workforce needs; is flexible enough to adapt to the changing needs of the economy and most importantly includes sustainable funding sources.

The Governor’s proposal is fourfold (itemized below), and we have strong opinions about how these initiatives and resources should be implemented:

Proposal: Establish New, \$175 million Consolidated Funding Application Through the REDCs: The State will create a new Consolidated Funding Application (CFA) for workforce investments that “would support strategic regional efforts that meet businesses’ short-term workforce needs, improve regional talent pipelines, expand apprenticeships, and address the long-term needs of expanding industries— with a particular focus on emerging fields with growing demand for jobs like clean energy, health technology, and computer science.” The funding for the workforce CFA will consist both of \$150 million

in new, flexible resources and \$25 million in existing streams of workforce funding; and a subset of resources will be dedicated to support those with barriers to employment and young adults.

NYATEP's Reaction: NYATEP has advocated for the past several years for resources for job training and workforce solutions to be included in the Regional Economic Development Council process. Historically, workforce development investments hover around 1% of the total REDC awards. We believe that embedding a workforce component will more closely align regional workforce and economic development, and require partnerships to better serve businesses and New Yorkers. We feel strongly that the implementation should include Legislative oversight, and more importantly live outside of the current REDC process. Workforce and job training issues will not be responsive if it is required to go through an annual award cycle. The resources should be provided on a rolling basis, based on regional need.

Proposal: Create New Office of Workforce Development: The State has heard our call for a better-integrated workforce system. This proposal seeks to “maximize our capacity to meet the state's workforce needs” by establishing the Office of Workforce Development which will serve as the focal point of accountability and coordination for all workforce training programs for the state, including the new CFA program. The State will hire a new Director of Workforce Development. The Office will establish standards for program performance and ensure alignment with the economic development goals of the state and the individual regions. As we understand it, the Director will serve on the State Workforce Investment Board, the Strategic Implementation Assessment Team (which reviews proposals submitted by the 10 Regional Economic Development Councils), and the Regional Community College Councils.

NYATEP's Reaction: It is essential that the State put in place a person to coordinate, organize and more importantly make forward movement on a statewide skills agenda. We currently lack the leadership and vision to put the pieces together to ensure ALL New Yorkers have access to education, training and employment in New York. Under the federal Workforce Innovation and Opportunity Act, the State is required to move towards an integrated system – and our state has fallen short. Our primary concern is that this office has enough authority to engage and make changes to the way job training and workforce programs are implemented and coordinated in the State. And, that this does not create an unnecessary layer of government that will further confuse or slow down the system's responsiveness.

Proposal: Launch One-Stop Shop for Workers and Businesses: The State will create a new One-Stop Shop for all New York's Workforce that offers key information to workers and businesses through a straightforward and useful online portal. The One-Stop Shop will provide workers seeking jobs in New York State with a single, centralized resource to help them navigate the support programs that the State has to offer. It will also offer businesses a central point of access to the wide range of services the State provides to assist them in hiring employees.

NYATEP’s Reaction: We are in full support any effort to make the workforce system more accessible to job- and career-seekers and businesses. Additionally, we encourage the State and the Legislature to directly engage the end-user of these services to ensure they are adequately addressing their needs.

Proposal: Utilize State-of-the-Art Data Analytics to Plan and Map New York's Innovation Economy This proposal highlights the challenge the system faces in uniformly mapping workforce needs of New York's economy effectively. The proposal seeks to expand Monroe Community College’s innovative data mining methodology to identify local workforce needs to all regions in the State. The goal is to use data “to better target its workforce investments and better attract top talent and top companies to the communities that need them most”.

NYATEP’s Reaction: We are in full support of standardizing and make more available economic and labor market data to better align economic and workforce needs. If we are going to tackle the skills gap together, we need to start with the same information that outlines the current and future gaps. We believe NYATEP member, Monroe Community College has a great model; as do our colleagues at the NYC Labor Market Information Service, as well as SUNY and CUNY central. We think equal access to the key users of labor market intelligence will be vital to ensuring high quality, non-duplicative implementation regionally.

Finally, to continue to push this issue, we are launching the *Invest in Skills New York* campaign. The campaign is a statewide advocacy partnership between the employers and the economic & workforce development community aimed at making a skilled workforce an economic priority for the Governor and the New York State Legislature. These principles include:

- **Funding and Scale:** New York needs a stable, State-funding to scale evidence-based workforce development programs & practices;
- **Intentional System Design:** New York needs to deliberately align economic and workforce development strategies; and connect the systems delivering education, job training and employment so that job- and career-seekers, and employers engage in a seamless system of services;
- **Modernize Infrastructure:** New York needs to invest in workforce strategies based on data. The workforce system should rely on real time labor market data and utilize an integrated data system to measure performance and reduce duplication.

We believe that this Coalition, in collaboration with the State, can make significant progress in advancing our three key policy principles to build an education and workforce system that is responsive to current needs and is adaptable to the changing nature of work. We hope we can secure the Legislature’s support for this effort.

The NYATEP membership and the *Invest in Skills NY* coalition strongly believes that our human capital is our greatest natural resource, and should be the center of the State’s economic development strategies. The best workforce development programs are intentional partnerships between the business community, education and training providers, and community based organizations. They are

flexible, regionally based and responsive to both the jobseekers and the employers. These are the strategies that can change the lives and economic security for millions of young adults and adults who are low-skilled, working in low wage/low skill jobs or are unemployed/underemployed and want to work. If we only invest in traditional education pipelines – which are critical – we are leaving millions of “skillable” workers behind. We hope you support and join the movement to #InvestinSkillsNY.