

City Council Testimony

December 11, 2014

Thank you, Chairperson Garodnick and Del Carmen Arroyo and Miller for the opportunity to share the Career Pathways: One city working together workforce development plan with you and your committees.

First, by way of introduction and process: In April, the Mayor established the Mayor's Office of Workforce Development to serve as the coordinating entity for the City's workforce initiatives. The Mayor appointed me as the Executive Director of the Mayor's Office of Workforce Development, reporting into Deputy Mayor Glen. A month later, he convened the Jobs for New Yorkers Task Force to articulate goals for the new workforce system. The task force was comprised of 30 members from government agencies, businesses, educational institutions, organized labor, non-profits, and philanthropy. I am joined here today by Jackie Mallon, Deputy Commissioner at SBS, and Miquela Craytor, Vice President at EDC, both of whom will provide testimony. I am also joined by Sarah Hass, Assistant Deputy Commissioner at HRA; Alan Cheng, Assistant Commissioner at DYCD; Vanda Belusic-Vallor, Executive Director at DOE; David Berman, Director at CEO and Tara Brown, Senior Program Officer at DCA.

In order to develop recommendations for a new workforce system, WKDEV used a three pronged approach to gather information from as many individuals with a stake in our workforce system as possible: 1) The task force met throughout the summer and fall while WKDEV led parallel track meetings with a broad array of City agencies; 2) WKDEV organized community engagement forums in every



borough with elected officials and workforce stakeholders focused on youth, immigrants and adult literacy; 3) WKDEV elicited feedback from clients of the workforce system, through a focus group organized in partnership with Community Voices Heard, and an online survey which was distributed in eight languages throughout the workforce community and completed by over 800 individuals.

Second, the goal: From the outset, the Mayor wanted to ensure that the City's \$500 million annual budget for workforce development services was being strategically invested in programs that increase economic opportunity, improve job quality at the low end of the wage spectrum, and deliver higher quality services by aligning agency resources. Achieving these objectives will increase stability and enable mobility for countless workers in New York City. In addition, better coordination between workforce and economic development agencies will allow us to orient the City's services toward a common goal of improving job outcomes for New Yorkers, while providing higher quality services that speak to the specific needs of different segments of our workforce.

Third, understanding our scope: This report presents the Task Force's recommendations to create a new, cohesive workforce system that strengthens the competitive position of New York City by preparing workers for 21st century jobs, improving the conditions of low-wage work, and fostering a system-wide focus on job quality. The recommendations provide a new set of strategies for City agencies and programs focused on employment and building skills, while envisioning crucial partnership roles for stakeholders in the private sector, philanthropy, community-based organizations (CBOs) and organized labor.

There are several important topics that are outside the scope of this report, including the City's broader job creation strategy and improvements to K-12 education. Given the vital linkages between workforce, education and economic development initiatives, however, this report does address the connections



with these other critical areas. Similarly, this report does not propose customized solutions for specific populations, such as immigrants, veterans, long-term unemployed, the formerly incarcerated and other groups. However, the broad strategies laid out here do provide a framework for programs serving these groups. The needs of specific populations will be addressed as City agencies and service providers move into implementation mode and tailor their services to the populations that they serve.

Now, the Career Pathways report overview: With a gross metropolitan product of almost \$1.5 trillion - roughly the size of the second and third largest metropolitan economies in the US combined - the New York Metropolitan Area is home to one of the most vibrant economies in the world. We know that one of the key factors driving this economic growth is New York City's most valuable resource: its human capital.

The unbalanced economic recovery that followed the Great Recession underscored structural weaknesses in the labor market that need to be rectified if the City is to prosper over the long term.

Nearly a million working New Yorkers - almost a quarter of the total labor force - earn less than \$20,000 per year. Because these workers rarely possess the qualifications they need to advance to middle-class jobs, many of these individuals have no escape from poverty.

At the same time, employers that offer higher quality jobs in industries such as healthcare, technology and modern manufacturing are facing a shortage of skilled workers. The net effect of this divide - unskilled New Yorkers struggling with stagnating wages and adverse work conditions on one hand, and employers grappling with a shortage of skilled labor to drive productivity on the other - is a significant missed opportunity to strengthen our labor market as well as grow our economy.

New York City's workforce system – which served approximately 488,000 clients in FY2014 through SBS, DYCD, HRA and DOE programming – is currently not configured to systemically address these challenges.



Over the past 20 years, the workforce system has shifted away from job training to focus almost exclusively on job placement without any strategic focus on high-value economic sectors. The system has moved too far in this direction without adapting its practices to changing market conditions.

Currently, roughly two-thirds of the \$500 million spent annually on workforce services is allocated to programs that connect jobseekers to entry-level positions with low wages and limited advancement prospects. By contrast, only about seven percent of this budget supports training programs that can provide skills that lead to career-track jobs with opportunities for advancement.

Without a doubt, the workforce system's fragmentation poses a significant barrier to addressing these challenges. For decades, agencies have maintained disparate goals and processes, leading to uncoordinated program offerings and confusion among jobseekers and employers. We have also failed to meaningfully connect the City's economic development investments and spending to potential employment and career advancement opportunities.

The City will implement ten recommendations made by the Task Force to address three key policy areas: building skills employers seek, improving job quality, and increasing system and policy coordination.

1. Building skills employers seek. The workforce system will significantly expand its capacity to provide job-relevant skills and education.

The City will implement two interrelated and mutually-dependent strategies to achieve this: Industry Partnerships and Career Pathways.

RECOMMENDATION 1: Launch or expand Industry Partnerships with real-time feedback loops in six
 sectors: healthcare, technology, industrial/ manufacturing, and construction, which will focus on



training more New Yorkers for jobs with career potential, and retail and food service, which will focus on improving the quality of low-wage occupations.

To identify our focus sectors, the City considered factors such as tax revenue, recent job growth, forecasted job growth, total employment, job multipliers, wages, and wage distributions. This analysis identified six sectors - healthcare, technology, industrial/manufacturing, construction, retail, and food service - that offer the strongest prospects for economic mobility and mutual "employer-worker" benefits through job quality improvements. Collectively, these sectors account for approximately half of all jobs in New York City. These six sectors will be the City's preliminary focus, with opportunities to scale the number of Industry Partnerships over time in order to respond to changes in the labor market. Industry Partnerships, housed in City government or contracted through a competitive process, will be comprised of teams of industry experts focused on addressing mismatches between labor market supply and demand in six economic sectors. To define and fulfill labor demand in their respective sectors, Industry Partnerships will establish ongoing "feedback loops," or a platform for regular interaction with employers, organized labor, educational institutions, service providers, philanthropy, and City agencies. Industry Partnerships will work to determine the skills and qualifications that employers need, and continuously upgrade curricula, training, and credential attainment programs to reflect local market conditions.

RECOMMENDATION 2: Establish Career Pathways as the framework for the City's workforce system.
 Career Pathways will be a new system-wide framework that aligns education and training with specific advancement opportunities for a broad range of jobseekers. All agencies overseeing workforce development programs will reorient their services toward career progression instead of stopping at job



placement. This effort will include sector-focused bridge programs, skills training, job-relevant curricula, and work-based learning opportunities.

Industry Partnerships, with their deep information about real employer needs, will coordinate with service providers to design and upgrade programs along the Career Pathways continuum in response to specific advancement opportunities in each sector, and for the broadest possible range of New Yorkers. This effort will include creating, expanding and improving sector-focused bridge programs, skills training, job-relevant curricula, and work-based learning opportunities. To expand on these initiatives:

 RECOMMENDATION 3: Invest \$60 million annually by 2020 in bridge programs that prepare low-skill jobseekers for entry-level work and middle-skill job training.

Bridge programs serve individuals who are not yet ready for college, training, or career-track jobs, but are relatively close, typically scoring between seventh and tenth grade literacy levels. The career focus of successful bridge programs distinguishes them from more traditional adult basic education programs, which focus on high school equivalency credentials only. Currently the analysis shows no bridge are funded through the City, but a privately funded bridge program at LaGuardia Community College showed 20-30% higher rates of GED passing and enrollment into further education.

 RECOMMENDATION 4: Triple the City's training investment to \$100 million annually by 2020 in career-track, middle-skill occupations, including greater support for incumbent workers who are not getting ahead.

To serve the widest range of workers and jobseekers across the five boroughs, the City will prioritize three types of training programs: entry-level skills, transitional skills for career changers, and advancement training for middle-skill positions. A recent Westat study of sector-focused training



services showed that training and sector focus resulted in \$7,000 in higher wages and over 50% of the participants were employed consistently over the year.

RECOMMENDATION 5: Improve and expand CTE and college preparedness programs, adjust CUNY's
alternative credit policy, and invest in career counseling to increase educational persistence and better
support students' long-term employment prospects.

These education recommendations are proposed in order to increase educational attainment and workforce engagement following education and training experiences. For example, we know that only 13.6 percent of CUNY's 2010 freshman cohort completed their studies in three years. Students who participated in their Accelerated Study in Associate Program, (ASAP), received significantly more support throughout their education, and the cumulative three-year graduation rate is 51 percent. The City is supporting an expansion of ASAP to 13,000 students by 2016 and will work with CUNY to explore scaling the program across the CUNY system.

 RECOMMENDATION 6: Increase work-based learning opportunities for youth and high-need jobseekers.

The City will engage employers and philanthropic institutions to increase investment in programs that provide young adults and high need jobseekers with opportunities to receive career exploration, skill development and work experience through internships, and other work-based learning placements. For example, this includes working with HRA as they phase out the WEP program.

2. Improving job quality. In addition to enabling income mobility by investing in skill development, the City will take measures to support the economic stability of New Yorkers in lower-wage jobs. Building on recently passed Living Wage and Paid Sick Leave legislation, the workforce system will pursue a "raise



the floor" strategy that rewards good business practices and promotes a baseline level of stability for low-wage New Yorkers.

• RECOMMENDATION 7: Create a standard that recognizes high-road employers who have good business practices, with the goal of assessing at least 500 local businesses by the end of 2015.

EDC's NYC Good Business program will conduct a workplace practices assessment drawn from internationally-recognized better-business standards. The City will use information gleaned through the NYC Good Business assessment to establish an "NYC Good Business" seal, which will recognize high-quality New York City employers just as Leadership in Energy & Environmental Design (LEED) certification does for green buildings.

Many businesses will require technical assistance if they are to embrace practices that better support low-wage workers, so SBS will launch an "HR for Small Business" program which will expand its NYC Business Solutions suite of services to include Human Resources supports focused on improving job quality.

 RECOMMENDATION 8: Improve the conditions of low-wage work by expanding access to financial empowerment resources in partnership with at least 100 employers and pursuing legislative changes such as increasing the minimum wage.

The Department of Consumer Affairs (DCA) will launch an employer-based Financial Empowerment

Campaign to educate and influence employers regarding the role they can play in supporting their lowwage workers to achieve financial stability for themselves and their families.

New York City will continue to pursue approval from the state legislature to establish a local minimum wage for workers within the five boroughs, independent of the statewide wage and will take what



additional legislative or regulatory action might be needed to ensure minimum standards for low-wage jobs.

- 3. Increasing system and policy coordination. New York City's economic development investments and contracts must work in tandem with training and employment services to deliver value not only for the entities that benefit from public subsidies, but for jobseekers and incumbent workers as well.
 Accordingly, the multiple agencies that administer Workforce programs must also function cohesively, with shared metrics, definitions, requirements, processes, and data systems that can capture job outcomes and job quality.
- RECOMMENDATION 9: Maximize local job opportunities through the City's contracts and economic
 development investments by establishing a 'First Look' hiring process and enforcing targeted hiring
 provisions in social service contracts.

The City will develop and implement a comprehensive First Look hiring program. Pioneered in other cities, the First Look system is designed to connect a range of economic development and procurement activities to the workforce system. It will require qualifying businesses to share open positions and job descriptions with the City and consider the City's referred, qualified candidates. While a First Look system does not require businesses to hire the referred candidates, they must make good-faith efforts to do so and face penalties for noncompliance or withholding jobs from the City. First Look is being designed as a user-friendly service to businesses and New Yorkers.

• RECOMMENDATION 10: Reimburse workforce agencies on the basis of job quality instead of the quantity of job placements by aligning service providers under a system-wide data infrastructure that measures job outcomes such as full-time work, wage growth and job continuity.



A vital component of integrating workforce subsystems will be creating one set of metrics, with shared job outcome metrics and definitions in our city contracts. The major contracts for workforce services that are renewed over the next several years will incorporate and utilize new metrics and definitions, which will capture the quality of job outcomes as opposed to stopping short at just the quantity of job placements.

The City will also work across all workforce agencies to align workforce development services under a unified City brand. This will be an outward manifestation of behind-the-scenes system-building: backend coordination of services, processes, protocols and data, ultimately resulting in a more user-friendly system for employers and jobseekers alike.

Finally, Budget and Implementation considerations: This plan is not about only piloting programs; it is about making change at scale. The collective annual figure of approximately \$500 million spent on workforce programs is substantial. Funds currently spent on contracts that yield low-wage outcomes will represent a significant resource moving forward, as monies can be repurposed once those contracts expire over the next several years and new contracts in line with our goals are released.

In the past, philanthropic and nonprofit organizations such as The New York City Workforce Funders, a collaboration of philanthropic entities, have worked closely with the City to design and co-fund workforce projects that are being recommended for replication here, such as New York Alliance for Careers in Health Care (NYACH). The City has benefited from the philanthropic community's significant investments, and is formalizing a permanent relationship with the Workforce Funders to align philanthropy funding in workforce development throughout the City.

Further, as the City broadens its engagement with employers, new opportunities will arise to leverage private investments on behalf of jobseekers and incumbent workers. Similarly, efforts to link economic



development activities with workforce outcomes will yield new resources for workforce programs, whether financial or in-kind.

Implementation of these ambitious plans will be coordinated with the leadership of the Mayor's Office of Operations. The City will establish a new governance structure to ensure that the workforce system transitions to a Career Pathways framework. An executive oversight team will facilitate the transition of agencies and direct service providers to the Career Pathways structure and will monitor progress over time. Together, the Office of Workforce Development and Ops will:

- Support project management for each of the 10 recommendations;
- Launch a data infrastructure that facilitates system integration and data keeping; and
- Seek waivers when necessary to implement budget and policy that align with Career Pathways

I look forward to leading the effort at the Mayor's Office of Workforce Development to shift our system to Career Pathways that improves economic mobility for New Yorkers and benefits employers. Thank you for your support and I will take questions at this time.

New York City Economic Development Corporation New York City Council Oversight Hearing: Structural Reforms of the City's Workforce Development Systems Miquela Craytor, Vice President for Industrial & Income Mobility Initiatives December 11, 2013

Good afternoon. My name is Miquela Craytor and I serve as Vice President for Industrial and Income Mobility Initiatives at the NYCEDC. It has been a great honor for us at NYCEDC to be a part of the Jobs for New Yorkers Taskforce: our President, Kyle Kimball, served on the taskforce leadership, and our Strategic Planning Group supported the conception and creation of the task force's report, *Career Pathways*. We look forward to building upon that work and assisting in implementing the report's recommendations.

As the City's primary vehicle for promoting economic growth, NYCEDC seeks to connect the activity that drives growth to the city's workforce system, ensuring that benefits are shared widely and equitably. Put simply, we believe that workforce development and economic development go hand in hand and are mutually reinforcing. We are proud to partner with our colleagues across City agencies and the Mayor's Office of Workforce Development, who work each day to ensure the city has a skilled, productive labor force to support the quality jobs being created through economic development initiatives.

So what does this all mean in practical terms for NYCEDC?

Recommendation One of *Career Pathways* proposes <u>Industry Partnerships</u> with real-time feedback loops providing information on what employers require from their workforces. To realize these partnerships, NYCEDC will work with our colleagues to <u>strengthen the City's relationships to each of these industries</u>, building on NYCEDC's

existing work on the East Side Life Sciences Corridor, the Citywide Applied Sciences Initiative, and New Manufacturing investments in Sunset Park, and we will seek more value in our affiliations with the real estate and construction sectors. By understanding the hiring needs of these sectors and informing the development of training programs to fill skills gaps and connect residents to quality jobs, we'll improve referral and recruiting systems in collaboration with firms and agencies city-wide.

In partnership with the manufacturing industry, NYCEDC will also seek to build Innovative Manufacturing Centers, which will be sited strategically and serve as hubs for research, development, and adoption of new technologies by entrepreneurs and incumbent firms. These centers will offer on-site workforce training, apprenticeships, and certification in the fields of advanced manufacturing and fabrication. And they will be anchored by local private and public organizations to ensure relevancy. Innovative Manufacturing Centers will be critical to ensuring that NYC stays ahead of global disruption in the manufacturing sector – and turns that disruption to the city's advantage.

Recommendation Seven of *Career Pathways* calls for the creation of <u>NYC Good Business</u>, a program to enable businesses to understand and improve their practices and improve job quality for workers. Through NYC Good Business, NYCEDC will support high-road businesses that invest in their workers and leverage our City's diversity to grow. This will be similar to LEED certification for a building, signaling to interested parties that high standards have been met. As part of the program, businesses will take a brief self-assessment of their workplace practices. Businesses that complete the assessment and commit to improving their practices will be able to

access unique tools and business services, which EDC is offering in partnership with business organizations and SBS. While all businesses can participate in the initiative, we are focused on engaging small businesses and businesses that historically have not had access to these programs. This will launch in early 2015, and by the end of the year we aim to reach 500 companies with the goal that half will make improvements in their workplace

Finally, Recommendation Nine of *Career Pathways* requires that we <u>maximize</u>

<u>local job opportunities</u> through the city's own contracts and development investments

using a "First Look" hiring process -- in essence using our purchasing power as a city to
repurpose benefits for working New Yorkers..

To do so, we'll expand NYCEDC's existing HireNYC program. Started in 2009, HireNYC has been the City's principal method of linking job seekers to permanent jobs created through city sponsored economic development efforts. HireNYC has placed 1,400 New Yorkers from local communities into permanent jobs near their areas of residence. And the future looks bright. Through our current pipeline of economic development projects like Cornell Tech, Kings Theater, and Empire Outlets, we expect to make over 4,100 more placements over the next four years. But more can be done, and as part of the commitment of this Administration there a few important changes underway for the program. We are expanding the projects that are covered by the HireNYC program and refining compliance mechanisms. This will include expansion to EDC-managed properties like Brooklyn Army Terminal and coverage of development projects seeking bond financing or incentives.

And of course, consistent with the Job Quality pillar of *Career Pathways*, NYCEDC is committed to encouraging the creation of jobs that pay workers a Living Wage. As the entity with principal responsibility for carrying out Mayor de Blasio's Executive Order 7, which raised the living wage rate to \$13.13 per hour and expanded coverage to tenants at certain development projects, NYCEDC will pursue the twin goals of creating job opportunities for disadvantaged populations and paying good wages. At the same time, we recognize that local hiring and wage policies must be deployed flexibly to address the unique needs of local communities and ensure that they complement each other, rather than compete.

At NYCEDC, we're responsible for strengthening and diversifying the city's globally competitive economy---but also for connecting New Yorkers from all five boroughs to the economic engines that drive that growth. EDC will use its particular skills and toolsets to make sure that whatever happens next, happens right here in New York---and that it happens for all New Yorkers.

TESTIMONY BY

JACKIE MALLON

DEPUTY COMMISSIONER

NEW YORK CITY DEPARTMENT OF SMALL BUSINESS SERVICES

BEFORE

THE COMMITTEE ON ECONOMIC DEVELOPMENT

AND

THE COMMITTEE ON COMMUNITY DEVELOPMENT

AND

THE COMMITTEE ON CIVIL SERVICE AND LABOR

OF THE

NEW YORK CITY COUNCIL

DECEMBER 11, 2014

Thank you Chairs Garodnick, Miller and Arroyo. My name is Jackie Mallon, I am the Deputy Commissioner in charge of the Workforce Development Division at the New York City Department of Small Business Services ("SBS"). Commissioner Maria Torres-Springer and I worked hand-in-hand with Executive Director Katy Gaul-Stigge and our partner agencies throughout the process of developing the *Career Pathways* report and will continue to work with this team to build out these initiatives. Commissioner Torres-Springer believes very strongly that a critical tool in fighting inequality in New York City is an efficient and effective workforce system that helps put New Yorkers on a career pathway that will provide economic stability and mobility for families in all five boroughs.

Today, I will discuss some of the initiatives led by SBS including industry partnerships, First Look, and the HR for Small Business Program.

A key component in achieving the Career Pathways vision is establishing industry partnerships. At SBS, we have already launched two industry partnerships – the New York Alliance for Careers in Healthcare, or NYACH, and the Tech Talent Pipeline. NYACH helps connect New Yorkers to opportunities in the fast growing health care sector, and the Tech Talent Pipeline seeks to connect New Yorkers to careers in the tech sector. These industry partnerships serve as sector coordinators and bring together employers, organized labor, educational institutions, workforce providers, philanthropy, and City agencies to assure that New Yorkers are gaining the skills they need to secure available, in-demand jobs. These Industry Partnerships will allow us to better align training with specific advancement opportunities and create career pathways.

Another critical tool SBS will develop, in partnership with our partners in government and colleagues at the New York City Economic Development Corporation ("EDC"), is the First Look initiative. This will be an expansion of the EDC-led program, HireNYC, and will seek to connect the City's economic development and procurement activities to the workforce system by requiring businesses to first consider the qualified candidates in the City's workforce system to fill all open positions. This will help us assure New Yorkers have access to the opportunities generated by the City's investments and economic development, but also that businesses throughout the City are connected to qualified talent. The system is already in place and set up to execute First Look in a business-friendly way that will serve jobseekers throughout the City.

We are in the process of moving away from previous administration's focus on quantity of hires, and toward ensuring higher quality outcomes from our workforce system so New Yorkers can find full-time jobs with family supporting wages. For example, in coordination with the Mayor's Office of Workforce Development, we have raised the standards at our Workforce1 Centers by requiring businesses that use our recruitment services to be hiring for jobs that pay either \$10 per hour or offer full-time employment. This has been a significant shift from past policies and we are already seeing the average wage of hires go up.

Finally, through HR for Small Business, we will work with our colleagues at EDC to provide support to businesses that take part in their NYC Good Business program, which will create a standard that recognizes employers with good business practices. Through HR for Small Business, we will help businesses reduce staff turnover by teaching them better scheduling practices and helping connect employees with banking, transit benefits and other services.

Thank you for giving me the opportunity to testify today and I look forward to working with you, our partner agencies and the entire workforce community in New York City to bring about these critical changes. Working together, we will train and connect New Yorkers to jobs and help our growing businesses find the talent they need right here in New York.



Testimony of Suri Duitch
University Dean for Continuing Education and
Deputy to the Senior University Dean for Academic Affairs

Before the New York City Council Economic Development and Community Development Committees

Mayor's Office of Workforce Development: Structural Reforms of the City's Workforce Development Systems

Thursday, December 11, 2014

Thank you Chairperson Garodnick, and members of the Committees on Economic Development and Community Development, for the opportunity to testify today.

The public workforce development system envisioned in the report, "Career Pathways: One City Working Together," represents a tremendous opportunity for deep integration of The City University of New York into that system. CUNY has long been a major pathway to the middle class for New Yorkers; that has become even more the case as college degrees and other postsecondary credentials have grown in importance, and as the University's size has increased to its current 274,000 degree students and over 200,000 continuing education students at 24 institutions throughout the five boroughs. CUNY's new Chancellor, James B. Milliken, has identified bolstering CUNY's role in preparing and advancing the New York City workforce as one of his own top priorities, making this report and the City's plans even more timely from the University's perspective.

CUNY was active on the task force, participating in its leadership committee and in task force discussions, and providing extensive feedback on its recommendations. The report mentions CUNY's current efforts to develop a more college and career-ready population, including its Accelerated Study in Associate's Program (CUNY ASAP), which has more than doubled three-year associate degree graduation rates, the Early College High Schools, which have significantly increased both high school and community college graduation rates for students who were not on track to attend college, and CUNY Start, which has greatly improved the prospects of students with significant remedial needs for graduation from community college.

Each of the report's six recommendations will also create mutually productive opportunities for the City and for CUNY, as follows:

1. The University will work closely with the existing industry intermediaries and the ones created in the future as a result of the task force recommendations.

- 2. It will play a key role in advancing the workforce under the recommended "career pathways" framework.
- 3. "Bridge" programs that combine basic academic skill-building with industry-contextualized instruction are an important pathway for many adult students; LaGuardia's GED Bridge programs were cited in the report. CUNY looks forward to having that and other programs and colleges support the expansion of these opportunities.
- 4. Increased investments in training and education overall will help to make the New York City workforce more competitive for 21st Century jobs and careers, and will also require CUNY's greater participation in the City workforce system.
- 5. The report talks about the crucial role of college preparedness, the ability of adult students to translate life and work experience into college credits, and the need for career counseling as part of the college experience, and while citing several of our excellent programs, also presents the University with new opportunities to step up and support the workforce.
- 6. Finally, increasing access to meaningful work experience for both young adults and "high-need jobseekers" will be to the benefit of our current and future students. As the New York City labor market has become more competitive over the past several years, employers have come to look for work experience even in applicants for those positions considered to be entry level. This has required CUNY to focus more than ever on helping students to access internships and other work experience.

The transition from a workforce system that prioritizes and devotes the vast majority of its resources to helping individuals find any available job into a system that supports career development and advancement represents a sea change in City policy. CUNY is deeply supportive of both the specific recommendations and plans put forward and of the perspectives that underly those recommendations and plans.

A workforce system that prioritizes access to good jobs, career tracks, and the education, training, and credentials needed to access those jobs and careers must, by necessity have the City's public university system as a central partner. CUNY looks forward to playing this role in the New York City workforce system going forward.



TESTIMONY BEFORE THE NEW YORK CITY COUNCIL COMMITTEES ON ECONOMIC DEVELOPMENT, COMMUNITY DEVELOPMENT AND CIVIL SERVICE AND LABOR

THURSDAY, DECEMBER 11, 2014

KATY BELOT VICE PRESIDENT, EDUCATION & WORKFORCE

PARTNERSHIP FOR NEW YORK CITY

Thank you Chair Garodnick, Chair Arroyo, and Chair Miller and committee members for the opportunity to testify today regarding the need for reform of the city's workforce development system.

The Partnership for New York City is an organization of the city's major employers and business leaders. Collectively, Partnership members employ nearly one million New Yorkers. Many employers are frustrated by a shortage of skilled workers, particularly when it comes to jobs in technology, health care, and certain customer-facing positions.

Last year the Partnership published a Jobs Blueprint that highlights the problems of the city's highly fragmented approach to workforce development and the general failure to engage employers or industry associations in a meaningful way. The proposals recommended in the *Career Pathways* report seek to address these fundamental problems.

Our view is that there should be a heightened focus on career and technical education in the city's high schools. Today, less than one-third of high school graduates are ready for college or a career. The Partnership is working with the Department of Education to develop a program for improving student outcomes with more robust CTE schools and programs.

We are in the process of completing a survey with PwC, the global consulting firm that will help inform public policy and resource allocation to support CTE programs that provide relevant preparation for available jobs as well as rigorous academic training and a smooth transition to advanced training or higher education. We look forward to sharing these findings with the Council. Several initial findings are of particular importance: there is a serious shortage of internships and meaningful work experience opportunities for CTE students; schools and nonprofit service providers have been left pretty much on their own to connect with employers and secure the resources required to support a strong CTE program; there is a lack of standardized measures for the effectiveness of programs and, in some cases, a shortage of well-prepared teachers in relevant subjects.

The city channels \$500 million a year into workforce development, only 7% of which has been going toward actual skills training. We support the recommendation to increase funding for skills training programs, particularly those that are driven by industry. The newly authorized federal

Workforce Innovation and Opportunity Act offers expanded flexibility to localities in the use of federal funds as well as incentives for increasing employer engagement. We no longer have to continue making unproductive investments because of restrictive federal requirements and historic patterns. This is a moment to rethink our approach to workforce development and the *Career Pathways* report is an excellent place to start that conversation.

Using data to monitor performance, hold contractors accountable and to direct funding are among the most important recommendations of *Career Pathways* report. A data collection and sharing system in not currently in place. We urge the Council to support an aggressive timeline to establish system-wide data infrastructure.

Two recommendations in the *Career Pathways* report raise a red flag for employers. One is the suggestion that the city will somehow develop criteria single out "high-road" employers and the other is that city procurement contracts will be expanded to include a social agenda. These proposals should be carefully reviewed with industry and employer representatives to fully understand their implications and to ensure that they do not discourage employer participation in a more effective workforce development system.



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TESTIMONY OF DAVID JASON FISCHER

SENIOR FELLOW, CENTER FOR AN URBAN FUTURE

HEARING BEFORE THE NEW YORK CITY COUNCIL'S COMMITTEES ON COMMUNITY DEVELOPMENT, ECONOMIC DEVELOPMENT, AND CIVIL SERVICE AND LABOR

REGARDING OVERSIGHT OF MAYOR'S OFFICE OF WORKFORCE DEVELOPMENT: STRUCTURAL REFORMS TO CITY'S WORKFORCE DEVELOPMENT SYSTEMS

THURSDAY, DECEMBER 11, 2014

Good afternoon. I am David Jason Fischer, Senior Fellow for Workforce Development at the Center for an Urban Future, an independent policy research institute that reports on issues of economic growth and equity in New York City. The Center's recent workforce publications include "Bridging the Disconnect," a report on workforce services for youth and young adults in the five boroughs, and a number of shorter commentaries on workforce systems change, recent reforms at the NYC Human Resources Administration, and other matters.

I'd like to share some observations about the Mayor's Office of Workforce Development and the recently released final report of the Jobs for New Yorkers Task Force, titled "Career Pathways: One City, Working Together." Before beginning, I should disclose my involvement with that report, as a compensated editorial contributor and adviser. My testimony will focus on implementation of its proposals and related concerns.

It's helpful first to briefly consider the workforce development landscape when Mayor de Blasio took office. Over the previous ten years, New York City's workforce programs achieved substantial progress, demonstrating for the first time the ability to make job placements at scale and earning credibility with employers who previously had never looked to city programs to fill their hiring needs.

Unfortunately, these improvements had somewhat limited value for most jobseekers and employers. The emphasis on rapid attachment at maximum scale—putting as many people into employment as quickly as possible—meant that job quality was an afterthought. Average hourly wages for those mostly low-skilled jobs remained at poverty or near poverty levels, and employers could not turn to the system to fill most vacancies above entry-level.

Nor was this the only problem. NYC had a workforce "system" in name only: a more accurate description would be of a half dozen or so mostly uncoordinated subsystems, operating in defiance of the idea that they essentially served the same customers with the same needs and challenges. The result was an uneven and intensely frustrating user experience. Worse, with no clear governance or accountability structure there was little prospect of getting all these efforts in harness.

The city has taken several important steps to address these concerns. The Mayor's Office of Workforce Development is unprecedented in its explicit and exclusive focus on helping New York City jobseekers,

incumbent workers and employers get what they need from workforce programs. The Jobs for New Yorkers Task Force, comprised of more than 30 business leaders, philanthropic funders, city officials, service providers and advocates, has charted a promising new course for the system, emphasizing career advancement and job quality rather than quick placement that often accomplishes little beyond churning individuals through working poverty at the low end of the labor market.

A number of challenges stand between this vision and its fulfillment. For one, changing the overall mission of the system means little without reconsidering the countless smaller choices made in service of the prior mission. City agencies have made many years' worth of decisions regarding staffing and management, resource allocation, employer engagement and customer service, data collection, recordkeeping, evaluation and more, all with an eye toward achieving the old objective of rapidly attaching as many people as possible to employment.

New priorities will require some new choices, within and across city agencies. The Office of Workforce Development is well positioned to play a prominent role in this effort, spotting and eliminating potential redundancies, keeping track of total capacity—and making sure agency staff don't fall back into the old paradigm of non-cooperation and services in siloes.

Indeed, the success of the proposed reforms will depend in large part on whether key agencies with workforce responsibilities can effectively collaborate. Many of the recommendations in the report, including proposals to create bridge programs for very low skilled jobseekers and to greatly expand work experience opportunities for youth and high-need jobseekers, cut across agency lines. The Office of Workforce Development should convene and facilitate cross-agency working groups for each new initiative, to map out action steps and timetables.

Another implementation concern has to do with the Industry Partnerships, which the report touts as a key vehicle to accomplish the transformation of the system. Industry Partnerships reflect a welcome realization that to deliver significant value for workers, programs must solve problems for employers. Done well, they will more closely align supply and demand to fill a wider range of job openings and open new roads for worker advancement along the new Career Pathways framework for the full system.

But there are many potential pitfalls. These partnerships must be adequately resourced and developed with unique goals, organization and partners, rather than molded to a one-size-fits-all model. And they must be not only demand-focused, but employer-led. Government will not have all the answers here, and might not even have the most important questions. To avoid the dangers, the Office of Workforce Development and NYC Economic Development should convene "mini-Task Forces" of key stakeholders for each Industry Partnership, to determine a specific scope of work, resource needs and accountability structures that will inform RFPs for each.

Finally, the report was silent on the question of governance for the workforce system. This has been a fraught issue for many years. Like every jurisdiction that receives funds through the federal Workforce Investment Act (WIA), New York City has a Workforce Investment Board (WIB) responsible for approving budgets and conducting general oversight.

The idea behind the WIB is that key local actors—business leaders, education officials, nonprofit executives, and others—should work with government to set an agenda that best serves the area's needs and priorities. In practice, however, the NYC WIB has been an appendage of whatever city agency received federal funds. An indication of its disconnection is that the WIB had no institutional involvement in the Jobs for New Yorkers Task Force.

As New York City embarks on a much more ambitious—and expensive—workforce mission, it must find a way to embrace the private and philanthropic sectors as full partners in the work. The member organizations of the NYC Workforce Funders, a group of about twenty foundations that support training and employment programs in the city, collectively grant tens of millions of dollars every year for innovative and high-quality initiatives. Businesses spend billions every year on recruitment, training and other HR services.

A sizable share of these dollars could and should align with and support the activities of the public workforce system. But to leverage these resources, the city must give these actors a seat at the table and a meaningful voice in policy deliberations. The mayor should appoint some of the key private and philanthropic sector leaders who served on the Jobs for New Yorkers Task Force to the Workforce Investment Board, where they can continue to help drive change in the system.

The Office of Workforce Development and Jobs for New Yorkers Task Force has shown commendable audacity in bringing us to this moment of unprecedented possibility for workforce progress. To fulfill the promise will now require prudence and humility on the part of city government.

Thank you for the opportunity to testify today. I would be happy to answer any questions you might have.



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Greg Berman - Director

Center for Court Innovation Testimony New York City Council

Committee on Community Development, Committee on Economic Development, and Committee on Civil Service and Labor December 11, 2014

Good afternoon Chairpersons Arroyo, Garodnick, and Miller and members of the committees. My name is Beth Broderick and I am the Director of the Staten Island Youth Justice Center, a project of the Center for Court Innovation. Thank you for this opportunity to speak.

The Center for Court Innovation is a non-profit organization that is devoted to reducing crime, assisting victims, and improving public confidence in the justice system. Each year the Center's projects collectively serve over 60,000 juveniles and adults in some of our most economically disadvantaged neighborhoods. This includes justice centers in neighborhoods like Red Hook, Harlem, and the Bronx and violence-prevention programs in Crown Heights, Bedford-Stuyvesant, and the South Bronx.

Employment is a critical need for many people served by our programs. It is estimated that one in three adults in America have a criminal conviction. As the Committees know well, a criminal conviction may preclude a job seeker from engaging in certain types of employment or licenses. And there is ample evidence that many employers simply refuse to hire persons with a criminal conviction, in violation of New York State Law.

By some estimates, half of all people in prison or jail have at least one mental health problem and many have learning disabilities that make getting and keeping a job difficult. The workforce system struggles to meet the needs of the formerly incarcerated, especially those with mental

¹ US Department of Labor, Office of Federal Contract Compliance Programs. See: http://www.dol.gov/ofccp/regs/compliance/directives/dir306.htm#ftn1

health needs or learning disabilities. According to the NYS Department of Labor, of approximately 14,000 persons with a disability served by the workforce system statewide, just 39% entered employment compared to the 59% rate for all job seekers.²

The Center for Court Innovation has several programs that help formerly incarcerated individuals reintegrate into their communities and obtain employment. For example, the Harlem Community Justice Center operates a Reentry Court that works with 250 moderate and high-risk parolees annually. Employment is a central need for these clients. The Reentry Court has been shown to reduce recidivism and preliminary results from a soon to be released evaluation indicate that Reentry Court clients are also employed at higher rates relative to similar persons on parole.

UPNEXT is a workforce development initiative at the Midtown Community Court. Launched in 1993, the Midtown Community Court sentences low-level offenders to pay back the neighborhood through community service, while at the same time offering them help with problems that often underlie criminal behavior. The UPNEXT program serves unemployed non-custodial fathers and provides tools and resources for participants to successfully compete in today's job market and connect with their families.

The Brownsville Community Justice Center seeks to reengineer how the justice system works in Brownsville, Brooklyn. In particular, the Justice Center is dedicated to building multiple off-ramps for young people who come into contact with the justice system. Although still in the planning phase, the Justice Center currently serves as the workforce development provider for three Cure Violence projects in Central Brooklyn. Through these and other initiatives, the Justice Center provided 222 paid opportunities for Brownsville youth last year – most of whom had contact with the justice system, and many of whom continued on to college or employment.

² New York State Department of Labor Annual Report 2013. See: http://www.labor.ny.gov/workforcenypartners/annualreport/WIAAnnualReport2013.pdf

In Staten Island where I work, we operate Justice Community Plus, a job readiness program for youth affected by community violence. Funded as part of the New York City Council's Cure Violence Initiatives, Justice Community Plus serves Staten Island youth ages 16-25 at risk of being impacted by community violence, offering individual case management, life skills workshops, community benefit projects, and meaningful internship opportunities. In addition, the Youth Justice Center partners with the New York City District Council of Carpenters Labor Technical College, serving as the borough's referral site for BuildingWorks – a preapprenticeship training program. Last year, over 120 applicants connected with the Youth Justice Center regarding BuildingWorks; all successful program graduates are currently employed with various construction union apprenticeship programs.

These and other programs of the Center for Court Innovation come into contact with justice-involved New Yorkers that are not well served by the existing workforce system. In our experience, adults and youth who have serious trauma histories, suffer from mental illness, or experience learning disabilities have a hard time navigating the workforce system and often struggle to meet the requirements of training programs. Dyslexia, for example, can be effectively addressed by providing proper training which takes into account the specific needs of the person with dyslexia. This requires flexibility in the approach to training, including the provision of information in alternative formats, multi-sensory learning techniques, more time for learning, and repetition of information when necessary. Too often workforce programs are often under pressure to serve high numbers of workers and as a result are not geared to provide intensive services to special needs job seekers, especially those with a criminal history.

The effects of supportive workforce development programs reach far beyond the individuals served. Research shows that programming offering jobs in conjunction with mentorship for young people can lead to a drop in violent crime arrests, thus contributing to public safety for the community at large.³ The research emphasizes the need for mentorship along with employment.

³ Sara B. Heller. "Summer jobs reduce violence among disadvantaged youth." Science. 5 DECEMBER 2014 • VOL 346 ISSUE 6214. See:

http://www.realclearscience.com/journal_club/2014/12/04/do_jobs_reduce_crime_among_disadvantaged_vouth_html

This has been a key lesson from the Center's programming as well. The Center for Court Innovation believes that in order for workforce development programming to be successful, this type of support is essential. We look forward to working with the City Council in the days ahead to serve vulnerable New Yorkers. There are many ways to improve public safety in New York City but in our experiences one of the best is to encourage employment and engagement in prosocial networks among justice-involved populations.

Submitted by:

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THE CAMPAIGN FOR SUMMER JOBS

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> Testimony of the Campaign for Summer Jobs Before the New York City Council Committee on Community Development And Committee on Economic Development

On Structural Reforms of the City's Workforce Development System

Honorable Maria del Carmen Arroyo, Chair Committee on Community
Development
Honorable Daniel Garodnick, Chair, Committee on Economic Development

Presented by Gregory Brender, United Neighborhood Houses

Thank you Chair Arroyo and Chair Garodnick for the opportunity to testify. My name is Gregory Brender and I am co-chair of the Campaign for Summer Jobs as well as Deputy Director for New York City Policy & Advocacy at United Neighborhood Houses. The Campaign for Summer Jobs (CSJ) is a coalition of nearly 100 community-based and citywide organizations in New York City that advocate for State and City investment and effective programmatic models for the Summer Youth Employment Program (SYEP). As you know, SYEP is a six-week opportunity for 14-24 year olds to work 20-25 hours/week at the State's minimum wage.

We commend the work of the Jobs for New Yorkers Task Force and are grateful that *Career Pathways: One City Working Together* acknowledges the importance of SYEP and the program's successful track record providing work experiences for 14-24 year olds. The report noted that SYEP is one of the most well-known programs for connecting young New Yorkers to the workforce and that it has provided a first work experience for generations of young New Yorkers. The report also cites studies from New York University that demonstrate SYEP participation leads to better rates of school attendance and improved academic outcomes.

Career Pathways: One City Working Together also recommends increasing the participation of private sector employers in SYEP. We support efforts to engage more worksites with SYEP participants and are glad to work with DYCD on making this a reality. Currently, many SYEP placements are in publicly funded programs especially DYCD funded summer camps. At these worksites, many of the young people stay on after the summer as summer camps transition into after-school programs.

While we support the inclusion of SYEP in the workforce development plan, we must remember it is also an educational program for New York City's youth. In particular, we support SYEP keeping its lottery selection process. As the demand for summer jobs far outstrips the number available, DYCD holds a lottery to determine which young people are

offered the opportunity to participate. Individual employers choose which SYEP participants to employ at individual sites. But to get into the program, there is no interview process. No resumes are required and it does not matter who you or your parents know. As such, SYEP is able to serve many of the young people who are most disadvantaged in entering the workforce including those who have not yet developed the soft skills needed to impress a potential employer and land a summer job. This is particularly important for 14 or 15 year olds who often have had not experience trying to get or keep a job.

The most important change we can make to the Summer Youth Employment Program is to expand it so that more young people have the opportunity to have a summer work experience. The summer that ended a few months ago was a banner summer for the Summer Youth Employment Program in New York City. Nearly 47,000 young New Yorkers participated in SYEP but tens of thousands more who applied were turned away.

Thanks to the leadership of the New York City Council, 10,700 SYEP slots were added in the FY 2015 budget. Moreover, Mayor de Blasio included an expansion of 850 SYEP slots specifically for NYCHA residents as part of the successful efforts to increase public safety in public housing. The City must build on this success and continue to expand access to summer jobs.

Last year, CSJ presented a plan to the City Council calling on the City to make investments that would expand SYEP to 100,000 slots in five years. We have already started to build this system. The Campaign for Summer Jobs urges to City to keep moving to expand summer work opportunities for New York City's youth.

Thank you again for the opportunity to testify. We are glad to answer any questions.

COMMITTEE ON ECONOMIC DEVELOPMENT COMMITTEE ON COMMUNITY DEVELOPMENT COMMITTEE ON CIVIL SERVICE AND LABOR

Oversight: Mayor's Office of Workforce Development—Structural Reforms of the City's Workforce Development Systems

December 11, 2014

Financial and Human Resources

The City plans to invest \$60 million annually by 2020 in bridge programs that prepare low-skill job seekers for entry-level work and middle-skill job training as well as \$100 million annually by 2020 for training in career-track, middle-skill work and for incumbent workers so they can advance their careers.

- a. How does the City plan to raise the \$160 million /year investment by 2020?
- b. Will this money be shifted from other areas of the current Workforce Development budget?

The City currently spends \$35 million of its \$500 million workforce development budget on training programs. The *Career Pathways* report states that the investment in workforce training will be tripled to \$100 million by 2020.

- a. How will the City account for this additional investment in training?
- b. What is the Mayor's Office of Workforce Development's evaluation process to check if the programs developed the workforce agencies have led to targeted improvements?
- c. What happens if the funds need to be repurposed?
- d. How much of the funding comes from state or federal government programs?

The *Career Pathways* report mentions several new programs and initiatives that agencies will launch to support the various recommendations of the report. However, it is unclear what human and financial resources will need to be increased, reallocated or shifted to support these initiatives.

- a. Are the initiatives mentioned in the report already scheduled and included in the relevant budgets of the agencies mentioned?
 - i. If not, can the Mayor's Office indicate how it plans to support the new programs recommended in the report?

Currently the City's workforce programs include multiple agencies with different sets of goals, rules and processes. The report discusses creating new standards based on an assessment of 500 businesses, which will be handled by EDC.

- a. How is the Mayor's Office going to create standards for City agencies to coordinate and centralize workforce programs?
- b. What will the Mayor's Office use to track agency data?
 - i. What metrics will the Mayor's Office prioritize in evaluating agency workforce programs and coordination?

Education

According to the *Career Pathways* report, the percentage of high school graduates in who were "college ready" in 2013 was 31.4%. The City made improvements from 2005 when the number was 16%. However, two-thirds of the City's high school students are still not ready for college.

- a. What measures did DOE use to improve this number?
- b. How can CUNY and DOE collaborate to get better results?

The *Career Pathways* report calls upon CUNY to allow academic credit for students in collegerelevant, credit-worthy training courses as well as more opportunities for students to earn credit for life and work experience.

- a. How might this help students graduate sooner?
- b. How could these opportunities enable students to become more job-ready?
- c. How does CUNY plan to implement this strategy?

There are numerous colleges and universities in the New York City Metropolitan area. What is the percentage of college and graduate school graduates that have settled in the City to work?

a. What are the determining factors for graduates to stay or leave the City?

- i. How many of these graduates have degrees in healthcare or technology?
- ii. What can the City do to keep these workers in the City?

Training

SBS's customized training program helps businesses afford professional training services that can reduce employee turnover and increase productivity, thereby saving money and helping businesses grow. SBS provides customized training to limit financial constraints that keep businesses from investing in staff development. SBS issues customized training awards of up to \$400,000, which can cover 60-70% of a business's training costs.

Customized training is provided for the following categories: Training on recently purchased equipment or software; training to offer new services or products to reach new markets; training current staff to take on new responsibilities and/or to be promoted; and training to update obsolete skills to keep businesses competitive.

- a. How will the Mayor's Office of Workforce Development support SBS to expand the Customized Training Program and help employers conduct advanced training?
- b. What other categories of customized training will be included?

The Career Pathways report recommends SBS develop training programs for career changers seeking transitional skills. Workforce1 centers currently provide workshops on a wide array of topics including how to create resumes, how to interview and how to organize a job search.

- a. What additional programs does SBS plan to integrate into Workforce1 to develop career training?
- b. How will those programs fit into the greater workforce development framework and coordinate with other agencies?
- c. How will Workforce1 account for people with multiple low-paying jobs?
- d. How will Workforce1 account for people with disabilities?

The City currently serves roughly 500,000 people under the various workforce development plans.

- a. How many new job-seekers does the City expect to serve with the new plan?
- b. What does the City anticipate to be the average wage earned for people undergoing the new training programs?
- c. What were the average wages earned in the previous job placement programs?

Business Incentives/Regulations

The Career Pathways report suggests using a "raise the floor" strategy as a mechanism to reward good business practices while alleviating the instability of the low-wage jobs that comprise a significant portion of the City's job placements in the last five years. Businesses would be offered the incentive of being labeled an "NYC Good Business" by the City if they participate.

- a. Are there enough incentives in the raise the floor strategy for businesses to embrace the NYC Good Business label?
- b. What other incentives could be provided to businesses, especially small businesses, to invest in a raise the floor strategy?
- c. Does the City plan to use cooperative businesses as a model to improve the quality of low-wage jobs?
- d. How will community /non-governmental organizations be impacted by these employer-focused initiatives?
- e. What kind of outreach will the City conduct to inform employees, employers, job seekers, and the public about NYC Good Business and similar programs?

The "First Look" program requires employers doing business with the City to demonstrate a good faith effort to review city referred candidates before hiring others. As part of the recommendations in the *Career Pathways* report, businesses that contract with the City will be required to participate in the First Look program to consider job applicants trained through one of the City's workforce development programs. Businesses that do not comply with this requirement may not be considered for future City contracts.

- a. Why won't this requirement act as a disincentive for businesses to contract with the City?
- b. How will current City contractors be impacted by this requirement?
- c. What would the City consider a "good faith effort"?

- d. Will there be exemptions for small businesses, M/WBEs, or other specialized businesses attempting to contract with the City?
- e. Does the City have a timetable on when it plans to roll out First Look?
- f. This regulation is restricted to City contractors, but are there ways to incentivize other businesses to consider applicants from the City's job training pool?



Testimony by Mary Ellen Clark, Executive Director of the New York City Employment and Training Coalition (NYCETC)

To the New York City Council Committee on Community Development Jointly with the Committee on Economic Development

Oversight - Mayor's Office of Workforce Development: Structural Reforms of the City's Workforce Development Systems

<u>December 11, 2014</u>

Good afternoon and thank you for holding this hearing to collect feedback on the Mayor's Office of Workforce Development and Jobs for New Yorkers Task Force report *Career Pathways: One City Working Together.* My name is Mary Ellen Clark, Executive Director for the New York City Employment and Training Coalition (NYCETC). NYCETC is a member association of over 200 community based organizations, educational institutions, and labor unions which annually combined provide job training and employment services to more than 750,000 New Yorkers. The Coalition is the only citywide association exclusively focused on workforce development supporting our members' ability to operate high quality programs.

In June of this year, NYCETC worked with the Mayor's Office of Workforce Development and the Jobs for New Yorkers Task Force to provide feedback at our annual Summit. We are pleased to see that our priorities and input were echoed throughout Career Pathways: One City Working Together and recently solicited member feedback on the final report. Our members support the recommendations in the report. Many of our organizations work with individuals who may never be able to compete for middle-skill jobs, therefore the Coalition applauds the Mayor's Office in working to "raise the floor" to ensure all jobs are good jobs and available for all New Yorkers by holding employers accountable for providing quality jobs for all New Yorkers. As our member organizations are deeply involved in holding skills-employers-seek, we support the holding skills-employers-seek, and request that the following be taken into consideration as plans are put into place:

1) Ensure continued funding for basic education and skills training for those who may not qualify for middle and high skill jobs. As the pool of middle wage jobs shrink and current low-wage jobs in retail and the service industry increase, we want to ensure that a level of priority remains for basic literacy, such as Adult Basic Education and High School Equivalency, and that these programs are still available for those who need them.



- 2) In addition to training, recognize the importance of associated services such as job readiness and retention and provide consideration for referrals between partners in new contracts. NYCETC applauds the City's shift to a holistic approach to individual career development rather than rapid attachment to a job. As many of NYCETC's 200 member organizations provide specialized services for various populations, our agencies often work together to provide the best services for an individual. Many serve individuals who require ongoing services and skills training not just for the job opening at hand but for longer-term labor market success. Reimbursement for all services aligns with this approach and should be fairly divided among those whose programs contributed to the ultimate success, not just the agency who finally created the job placement.
- 3) <u>Provide additional funding and support for programs which focus on Opportunity Youth</u>. The time is now for the city to develop and implement a strong action plan to address the reality of the over 186,000 young adults between the ages of 17 and 24 who are neither in school nor working. The connection needs to be made between the private and the public systems by mobilizing the private sector to commit to providing internships and jobs for this extremely vulnerable demographic.
- 4) <u>Capitalize on the knowledge and capacity offered by the Coalition's community based organizations (CBOs), labor unions and training providers.</u> The opportunity is present for more direct engagement with our network of organizations who have rich knowledge of the communities they serve and strong connections to the local private sector. The Coalition is a resource ready to assist both as a convener and an implementer in the changes to come.

In summary, the Coalition and our member organizations look forward to continuing to work with the City to implement the goals and policy recommendations reflected in this report. We invite the City Council and City staff to attend and participate in our upcoming Policy Forum, to be held on January 30th, 2015, where we will bring together Coalition members, national thought leaders and workforce system funders to engage in further dialogue and plans for developing the capacity of the workforce community to implement the concepts outlined in the *Career Pathways: One City Working Together* report.

For further information, please contact:
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TESTIMONY OF PAUL FERNANDES EXECUTIVE DIRECTOR NEW YORK CITY AND VICINITY CARPENTERS LABOR MANAGEMENT CORPORATION

COUNCIL OF THE CITY OF NEW YORK COMMITTEE ON CIVIL SERVICE AND LABOR COMMITTEE ON ECONOMIC DEVELOPMENT COMMITTEE ON COMMUNITY DEVELOPMENT

OVERSIGHT - MAYOR'S OFFICE OF WORKFORCE DEVELOPMENT: STRUCTURAL REFORMS OF THE CITY'S WORKFORCE DEVELOPMENT SYSTEMS

DECEMBER 11, 2014

Good afternoon, Chairman Miller, Chairman Garodnick, Chairwoman Arroyo and members of the committees.

My name is Paul Fernandes. I am the executive director of the New York City and Vicinity Carpenters

Labor Management Corporation, which represents the interests of eight local unions affiliated with the

New York City District Council of Carpenters, their 25,000 members and the 1,000 contractors that

employ union carpenters in the city's construction industry.

Union carpenters and contractors jointly sponsor, as do unions and contractors in other trades, training programs in the city that are the foundation of providing employees in construction with the skills to work safely and compete for long-term employment with the best wages, benefits and potential for upward mobility.

Cumulatively, these jointly sponsored programs provide training and employment to 8,000 entry level employees who are registered as apprentices where they learn their trade in the classroom at private industry's expense and on the job under the supervision of experienced journey persons and skilled mechanics over 2-5 years depending on the trade. An apprenticeship in carpentry typically lasts 4-5 years. Apprentices in carpentry can also earn credit toward and obtain an associate's degree.

Many thousands more experienced members of the industry who are or become union members have access to continuing training and education through these jointly sponsored programs to maintain and improve their skills and stay current in the practices and technologies that are essential to being a safe and qualified tradesperson.

This system is the best local hiring model in construction that the city has ever known because it produces, on a large scale, local and diverse opportunity that leads to real results in terms of addressing income inequality and building middle class careers.

75% of these 8,000 union apprentices live in the city and 65% of these local residents are minorities. Included in this population are apprentices recruited from some of the best direct entry and preapprenticeship programs in the nation to prepare local residents from diverse backgrounds to not only access apprenticeships, but succeed in them.

These direct entry and pre-apprenticeship programs are The Edward J. Malloy Initiative for Construction Skills, which serves public high school youth and other local residents, Helmets to Hardhats, which

serves veterans of the U.S. Armed Services, and Nontraditional Employment for Women, which works to advance gender equity in construction and other professions.

These programs provide more and better workforce opportunity than anything else being done in the city's construction industry. As an example, this past spring, a report by the Columbia University School of International and Public Affairs called The Edward J. Malloy Initiative for Construction Skills "a national model" and "the most successful construction pre-apprenticeship program in the country."

(For a copy of this report, visit http://constructionskills.org/ColumbiaSIPA03-14.pdf)

Pale imitations of these programs offer short-term training that leads to low-wage jobs with few if any benefits and little if any upward mobility. Putting local residents into the least effective programs does not advance the cause of equal opportunity or address income inequality. It is not progressive. It is quite the opposite.

It should be noted that the City of New York, School Construction Authority and The Port Authority of New York and New Jersey require contractors on major public building and infrastructure projects to participate in bona fide training programs that promote local and diverse workforce opportunity. They use project labor agreements and lawful procurement policies to recognize that there is a difference between contractors that invest in such opportunity and those that don't.

But what of the countless private projects, many of which receive significant public funding and financial assistance? Those developers using union labor and contractors voluntarily provide a similar structure.

But those not using union labor and contractors don't offer anything comparable.

What's worse, developers that choose a model encouraging best practices in workforce development are put at a competitive disadvantage due to the city's lack of recognition of its value. City policy in this regard has generally ignored workforce development altogether or favored a low-road model for workforce development that celebrates low-wage, dead-end jobs in construction as an accomplishment when they are not.

If the city is serious about advancing a progressive agenda in workforce development, it can no longer allow this situation to continue. Raising the bar for opportunity in construction is not the same as laudable efforts to do so in other occupations where living wage requirements represent a substantial improvement over what would otherwise occur. In construction, such wage and benefit levels are substantially below the norm according to any measurement and do nothing to provide the long-term training and education that workers need to acquire and maintain the skills to compete for the best jobs well into the future.

This mayor and City Council have an opportunity to make a departure from failed policies of the past and embrace best practices in construction workforce development that have been created right here in New York City. We have a model that has been widely applauded and used on public building and infrastructure projects by the city itself, so it is not as if we have to look far for what works.

It is long past time that we adapt this workforce development model to city-assisted private projects so that whether we are building high-rise luxury residential buildings, commercial office towers or affordable housing, we can truly say that these projects and the taxpayer resources invested in them benefit everyone including the local residents of our city employed in construction.

Thank you.



Testimony of Denise Richardson, Executive Director

The General Contractors Association of New York

New York City Council Committees on Community Development, Economic Development, and Civil Service and Labor

Oversight – Mayor's Office of Workforce Development: Structural Reforms of the City's Workforce Development Programs

December 11, 2014

Thank you for the opportunity to comment today. I am Denise Richardson, Executive Director of the General Contractors Association of New York. The GCA represents the metropolitan area's unionized heavy civil and public works infrastructure contractors. We are not building contractors. Our members perform highly specialized bridge, tunnel, road, infrastructure and foundation work.

Unlike non-union construction, where a worker will be hired for a particular job — often with little training and little regard for safety - and then terminated when that job is completed, the unionized construction industry offers a path from apprentice, to journeyman to foreman and beyond. That path has been taken by many of the most successful minority and women-owned contracting businesses that exist today, and many more are on the way.

At present, the New York City building trades have over 8,000 people in its apprenticeship programs; 65% (5,200) are either women or members of minority groups. Seventy-five percent (6,000) reside in the five boroughs.

So far from simply providing people with "jobs," the unionized construction industry offers individuals a true career. In that spirit, The General Contractors Association supports the de Blasio administration's new initiative to revamp and expand the city's workforce development programs so that we can help a diverse group of New Yorkers develop a challenging career in a vital industry. We believe, however, that until the program is up and running and generating a pool of trained and fully qualified candidates to be considered for available positions, any discussion of hiring or work hour quotas, employer penalties and compliance is premature and counter-productive to the overall goal of making certain that the city remains the construction industry's client of choice. We very strongly believe that if the workforce development program is to generate lasting results measured by sustained careers for program graduates, it must be developed through a true partnership between industry and the city and not through quotas and mandates.

My comments today therefore offer suggestions to maximize the opportunities for industry partnerships to ensure that this initiative works in the best interest of both employers and prospective employees.

1) Increase funding for the existing pre-apprenticeship and career exposure training programs that have already established a track record of success

Rather than starting new programs that will take years to build a track of record of success, the city should provide regular, stable funding to three programs that have a demonstrated record of job placement in the trades: Non-Traditional Employment for Women, Construction Skills and Helmets of Hardhats and the ACE Mentor Program pre-professional program for high school students.

The GCA is on the board of Non-Traditional Employment for Woman which is a groundbreaking program that prepares women for careers in the construction trades. Since 2005, NEW has placed over 2000 women in the construction utility and facilities management trades. 70% of the program participants are also members of minority groups. . One of NEW's signature accomplishments was a program jointly administered with NYCHA to train NYCHA residents for positions in facilities maintenance and construction. Sadly, upon the expiration of the grant's funding, the program was discontinued. This is exactly the type of program that the administration's new workforce development program needs to support.

Similarly, the city should increase its financial support to Edward J. Malloy Construction Skills program. This program has placed over 1,500 New York City residents into apprenticeship positions; 90% of the program's graduates are members of minority groups. The program offers an invaluable opportunity for participants to gain early exposure to the industry before embarking on the rigors of the apprenticeship program. The program has intermittently received \$10,000 grants from various council members. The per-student program cost is in the range of \$7,000 - \$8,000. The city should establish a permanent contribution to this program to enable it to expand the pool of participants.

Similarly, the Helmets to Hardhats program offers a pathway into the construction industry for returning veterans whose military service has encompassed construction and related tasks. This program, too, warrants additional support through the workforce development initiative.

The construction industry, however, offers a range of careers beyond the skilled trades. The GCA is also on the board of the ACE Mentor Program. The Architecture, Construction and Engineering Mentor Program, known as "ACE" gives high school students exposure to the industry's technical professions through a yearlong after school program that pairs an ACE mentor class with an industry firm to design and construct a model construction project. Student programs have built bridges, tunnels, hospitals, college dormitories and a multitude of other buildings. This year, the program has grown to include 700 students in 30 different teams being mentored by over 100 architectural, engineering and construction firms. The program ends each year with over \$200,000 in scholarship awards to program participants. All funding for the ACE mentor program and the scholarship program is donated by the architecture, engineering and construction industry. The city should consider providing funding to allow ACE to expand its recruitment efforts throughout all New York City High Schools.

2) Accelerate the provision of resources to enable the Department of Education to accelerate the implementation of Career and Technical Education ("CTE") Programs

The GCA will also be serving on the advisory board for the newly planned construction program at City Polytechnic High School. Through this program, the GCA, along with other industry partners, will be providing curriculum advice, mentoring, training and internships for students participating in this six year program that will provide both a high school diploma and an associates' degree. The first class is anticipated to enter in September 2015.

3) Within city government, establish a training program for building and construction inspectors, facilities personnel and other construction-related positions.

Historically, the city has faced difficulty recruiting trained and skilled personnel to perform critical construction inspection functions and has relied on its inspectors coming to a job having already gained private sector experience. Too often, the recruiting effort has been limited to providing applications for civil service tests. The city needs to establish an entry-level training program for positions such as construction inspection, facilities maintenance, and other non-technical degree positions that will lead to a career path in city government.

4) Establish a construction industry careers advisory board that includes representation from the employers

The GCA members are proud to be union contractors, but first and foremost, we are employers. Accordingly, since we are an important part of the equation, we urge that the workforce initiative include advisory participation by employers, and not just unions. The unions focus is to provide skilled trades people to the employers. The employers can offer the city a different perspective on the development of construction careers in addition to the skilled trades.

Each of these initiatives is providing a pathway for a successful career in the construction industry and we are looking forward to partnering with the administration to expand these programs. At the same time, it is critical that the resources devoted to these programs are used wisely.

First, as previously noted, the majority of the current participants in the apprenticeship programs are both New York City residents and minority group members.

Second, the construction industry has long served as the entry point for immigrants and first-generation Americans. This was true in the early 20th century wave of immigration and remains true today. Within the degreed professions of architecture and engineering, over 40% of the degrees awarded last year were awarded to women. The new generation of the construction industry represents a true cross-section of our society.

To date, the industry has been the lead funder of the various workforce initiatives. While the industry is prepared to continue its support, the responsibility to carry out the administration's initiative cannot be left solely to our member contractors. It must be accompanied by funding so that the programs have the sufficient resources to expand their reach. As manufacturing employment has declined, the role of the construction industry to provide solid, skilled positions has increased. It is therefore doubly important that in addition to providing funding for training, the Council remain cognizant that the construction industry is highly sensitive to economic cycles. In the last economic downturn, industry employment dropped by 20%. A sustained, robust New York City capital budget is critical to ensuring that the hard won skills of the industry workforce are not lost due to lack of work. The industry's future CEOs are beginning their careers today; we need to keep them employed for the long-term to enable them to gain the skills and knowledge that will serve future generations.

Thank you.



Agudath Israel of America

Arab-American Family Support Center

Bronx Works Catholic Charities Chinatown Manpower Project Coalition for Asian American Children and Families Community Service Society Cypress Hills Local Dev Corp. The Doe Fund Edith & Carl Marks Jewish Community House of Bensonhurst FEGS Health & Human Services Fifth Avenue Committee Fortune Society HANAC Highbridge Community Life Center International Center of CCCS Jacob A. Riis Neighborhood Settlement House Jewish Community Council of Greater Coney Island Jewish Community Center of Staten Island LaGuardia Community College Center for Immigrant Education and Training Lehman College Adult Learning Center Literacy Assistance Center Literacy Partners Lutheran Family Health Centers Adult and Family Education Make the Road New York Maura Clarke-Ita Ford (MCIF) Center **Neighborhood Family Services Coalition** New York Immigration Coalition Northern Manhattan Improvement Corporation NYC College of Technology Adult Learning Center Opportunities for a Better Tomorrow Phipps Community Development Corporation Project Reach Youth Queens Community House Riverside Language Program Shorefront YM-YWHA Turning Point UAW Region 9A Education Fund Union Settlement Association UJA-Federation of New York United Neighborhood Houses of New York University Settlement Adult Literacy Program YMCA of Greater New York

The New York City Coalition for Adult Literacy (NYCCAL) is comprised of teachers, managers, students, and allies from community-based organizations, advocacy groups, public libraries, and colleges in the City University of New York. NYCCAL advocates for an adult literacy system that provides quality, comprehensive, and accessible educational services to current students and other adults who require it. NYCCAL believes that being able to read and write, learn English, obtain a High School Equivalency diploma, and enter training and post secondary education are the rights of every New Yorker and the cornerstone to an equitable and just society.

www.nyccaliteracy.org

Testimony of the New York City Coalition for Adult Literacy (NYCCAL)

Presented to the NYC Council Committees on Community

Development, Economic Development, and Civil Service and Labor

Oversight: Mayor's Office of Workforce Development: Structural Reforms of the City's Workforce Development Systems

December 11th, 2014

This testimony is submitted on behalf of the members of the New York City Coalition for Adult Literacy (NYCCAL). Our coalition is comprised of staff from community-based organizations, advocacy groups, public libraries, and the City University of New York (CUNY). NYCCAL advocates for an adult literacy system that provides quality, comprehensive, and accessible educational services to current students and other adults who require it.

Thank you to chairs Garodnick, Arroyo, and Miller for the opportunity to testify before your committees today. We would also like to the thank the staff of the Mayor's Office of Workforce Development and the members of the Jobs for New Yorkers Task Force for their work in putting together the recent "Career Pathways" report.

Value of Education

NYCCAL applauds this report's emphasis on the importance of education. For low-income adults in New York, education is the key to securing employment, building a foothold in the job market, helping their children succeed in school, or acquiring the language skills needed to navigate their way through day-to-day life. Supporting an educated, skilled workforce is critical to creating and sustaining a thriving economy — one that can attract new and diverse employers and generate the revenues needed to support a high quality of life for New York's residents and visitors.

We look forward to working with the Mayor's Office of Workforce Development as well as the City Council to ensure that all New Yorkers will be able to join and grow in the workforce, especially those that must first overcome the various barriers to employment. A key component to help lower skilled workers access the career pathways contemplated in the plan are "bridge programs" that the Administration plans to develop. This program will connect

individuals with the skills and training they need to be eligible for training or to secure the jobs to be incubated through the industry partnerships. However, we hope that this strategy will meaningfully engage and support the 1.7 million New Yorkers who lack English proficiency, a High School Equivalency or both. Many of these individuals have such low literacy levels that they will essentially need a "bridge to a bridge" in order to access and advance through the training programs and career pathways proposed in the report. We understand that the next steps in implementing this plan are to reallocate existing funding among new priority areas. Throughout the process, it is important to provide additional support for contextualized as well as general Adult Basic Education (ABE) and English as a Second or Other Language (ESOL) instruction as a foundation for the success of the whole system.

The report points out that employers are increasingly using educational attainment as a proxy for skill level when making hiring decisions, and that education has become the single most important determinant of employability and earning power. As such, we are deeply troubled that the report lacks a significant and robust plan for investing in adult education to help those most in need to enter the workforce and then grow into high quality and stable positions. In particular, we are concerned that the report does not propose customized solutions for immigrants or mention the importance of acquiring English language skills. Similarly, there is scarce information on how the City plans to support individuals with limited work experience, those who have been out of the workforce due to child rearing or other reasons, those who need help just searching for work, and how existing programs will be coordinated with new ones. The last part of the report, which highlights the wide range of workforce related programs across a number of City agencies, underscores the need for coordination. Each of the City agencies and their programs have particular goals that best meet segments of the population. However, in order to best meet their needs, it is critical that either the Mayor's Office of Workforce Development or another entity play a coordinating role. It is important to still maintain flexibility for individual populations and communities, but coordination and some sort of standard tracking measure will benefit the entire field. While we support the concept of developing good contextualized learning models, it is critical to maintain and enhance a spectrum of adult literacy services and models.

Investments in adult education benefit the learners, their families, our economy, and society as a whole. While higher education is increasingly seen as necessary to achieving individual financial security and local economic growth, for 1.7 million New Yorkers the pathway to postsecondary success has to start with basic education, English language literacy, and HSE preparation. For every individual in NYC that earns a high school diploma or an HSE, there is a net economic benefit to the city of \$324,000 over that individual's lifetime in terms of increased tax contributions and decreased public benefit utilization. By investing in community-based adult learning, NYS will see a significant return on investment—both in social and economic dividends. If adult education providers are more strategically liked to the workforce system, those benefits will be even greater.

Historical Context

Despite the significant cost to New York's economy of having a large section of the workforce without English proficiency, investments in literacy have been flat or only seen nominal growth. Spanish-speaking adults with limited English proficiency lose approximately \$3,000 per year in earnings as compared to their peers. Despite that, only an estimated 4% of the 1.7 million New Yorkers lacking English proficiency are able to access state-funded ESOL classes.

In 2012, Mayor Bloomberg created the NYC Office of Human Capital Development (OHCD), a new entity housed in the Office of the Mayor, to oversee, support, and strengthen the City's range of workforce development, skills training, and adult education activities. OHCD assumed the responsibility of the former Mayor's Office of Adult Education and the Workforce Investment Board (WIB). Both of these offices had adult education in their core mission, and played significant roles in coordinating efforts, offering support to providers and ensuring that New Yorkers in need of classes knew how to access them. With the reconfiguration of these offices and departments, it is critical ensure a continued strong understanding and priority of these issues, especially in the context of the City's plan to address income inequality.

Role of Community-Based Organizations (CBOs)

New York City's community-based organizations, public libraries, and CUNY have extensive experience working with youth and adults looking to improve their skills and enter the workforce. However, the role of those entities in this plan seems vaguely defined at best. It order to maximize success of this transition, it is important ensure the involvement of CBOs, the libraries, and CUNY across the spectrum of activities, including setting up the industry partnerships, crafting the bridge models and establishing metrics. For example, as the entities most close to the clients, their insight on the labor supply is critical in the career pathways and industry partnership feedback loops in the short and long-term. The City must strengthen the linkage between job placement programs and education providers, so there can be seamless transition for the students, and align to the new requirements of WIOA (Workforce Investment and Opportunity Act) that will requirement adult education programs to provide access to workforce outcomes.

We believe a critical component to the success of the career pathways model is a strong linkage to the City's education and training programs that support career progression. We urge the Mayor's Office of Workforce Development to meaningfully engage other stakeholders, including adult education providers from a range of sectors, who have experience with the individuals the City must serve, and the clients themselves.

Given the complexity of the needs and challenges faced by young adults in the workforce and those trying to enter the workforce, it's especially critical to have a specific strategy focused on that population. The programmatic supports for youth must be accessible and in locations that are safe and familiar, such as the CBOs in their communities.

Similarly, a separate strategy should be developed for the immigrant community. According to a report from State Comptroller Tom DiNapoli, we know that immigrants represent over 40% of the City's workforce, and between 2000 and 2011, the Census-defined neighborhoods with the highest concentrations of immigrants had stronger business growth than the rest of the City. There is a lot of potential in our City's immigrant communities and they should be a strong part of this plan.

Conclusion

Now that the framework has been laid out, the real work begins. We call on all our City leaders who are invested in this to ensure that the right stakeholders are at the table and the wide range of needs are met in the City's newly envisioned workforce development system. It is critical to recognize the need for and importance of adult education and substantially engage CBOs, the libraries, and CUNY in this implementation, especially in ensuring that we provide this "bridge to the bridge" that so many New Yorkers need. As one of the key aspects of alleviating poverty and creating a more just and equal society, adult education can and should be a part of a progressive agenda.

Thank you for the opportunity to testify.



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UNH Testimony before the New York City Council Committee on Community Development, Committee on Economic Development

Oversight Hearing: Structural Reforms of the City's Workforce Development System

Honorable Maria del Carmen Arroyo, Chair, Committee on Community Development Honorable Daniel Garodnick, Chair, Committee on Economic Development Honorable I. Daneek Miller, Chair, Committee on Civil Service & Labor

Submitted by Kevin Douglas, Deputy Director for NYS Policy & Advocacy
December 11, 2014

United Neighborhood Houses (UNH) is the association of New York City's settlement houses and community centers. With 38 member agencies serving over 500,000 New Yorkers across the five boroughs at over 525 sites each year, our network has significant experience in engaging New Yorkers with complex needs and strengths. Rooted in a neighborhood-based approach, many of our member agencies have been serving their communities for over 100 years, and all are multi-service, multi-generational agencies, with a mix of programming ranging from early childhood education and afterschool, to youth employment and adult education, to affordable housing and older adult services. With a focus on low and moderate income neighborhoods and an emphasis on participant empowerment, our agencies have developed a robust suite of adult education and workforce development services to help their community members self-actualize.

We take a great interest then, in New York City's sweeping re-envisioning of the workforce development system, articulated in the recent report: Career Pathways, One City Working Together. In terms of overall policy direction, UNH strongly endorses the approach the City has identified. Shifting our system focus from short-term rapid attachment outcomes, often of low-quality and of short duration, to one that emphasizes marketable skills and linkages to living-wage careers, is a significant and laudable goal. UNH also applauds the commitment within the plan to improve job quality in the retail and food industries, with an emphasis on higher wages, opportunities for training and advancement, and employer compliance with fair labor standards.

However, while we are largely supportive of the vision put forth in the City's plan, there are several areas we believe require further investigation and planning on the part of the City, in order to ensure the new workforce system best achieves our shared goals of promoting economic opportunity for all New Yorkers.

Foremost among our recommendations are that in the course of refining and implementing the City's plan, the Office of Workforce Development: 1) Demonstrate greater recognition of the critical and skilled role community based organizations (CBOs) play in serving many of the New Yorkers with the greatest barriers to employment, and 2) Embrace specialized approaches to unique populations of incumbent workers and job seekers.

Community Based Organization (CBO) Role

Types of Services

CBOs, and settlement houses in particular, form a critical part of the City's adult education and workforce development infrastructure. In our network alone, CBOs are leveraging city, state, federal and private dollars to administer programming including:

- > Youth Education: Young Adult Literacy Program (YALP), Learning to Work (LTW), Young Adult Borough Center (YABC), Young Immigrant Literacy Program (YILP).
- ➤ <u>Adult Education</u>: Adult Basic Education (**ABE**), Basic Education in Native Language (**BENL**), English for Speakers of Other Languages (**ESOL**), High School Equivalency (**HSE**) Preparation.
- > Youth Workforce: In-School Youth (ISY), Out of School Youth (OSY), Summer Youth Employment Program (SYEP), Young Adult Internship Program (YAIP), Young Adult Sectorial Employment Project (YASEP).
- Adult Workforce: Back to Work (BtW), Jobs to Build On (JtBO), Career Pathways, SNAP Employment and Training (SNAP E&T), Worker Cooperatives, Shelter-based Employment, HIV+ Employment Programming, Employment Services to Human Trafficking Victims, Immigrant Bridge Program, Lower East Side Employment Network (LESEN), Sandy Recovery, Bronx Opportunity Network (BON), Workforce1 Community Partners Program, General Job Search, Referral, Placement and Retention services.

As a result of this programming, New Yorkers can earn their High School Equivalency (HSE) diploma and other trainings and certifications in areas as diverse as: Building Maintenance, Security Guard training, Home Health Aide (HHA) certification, Commercial Driver's Licenses (CDL) and Hospitality, Food, Retail and Customer Service. Other New Yorkers avail themselves of opportunities within our network to create and run their own worker cooperatives including Si Se Puede, a womanowned, residential and commercial cleaning service based in Sunset Park, and EcoMundo, based in Northern Manhattan, which offers green cleaning services.

Key Partners

At the City level, UNH members are contracting &/or partnering with the Human Resources Administration (HRA), Department of Youth & Community Development (DYCD), Department of Education (DOE), New York City Housing Authority (NYCHA), Department of Small Business Services (SBS), New York City Parks & Recreation Department (DPR) and many other entities in order to create seamless continuums of service for their community members.

These services are leveraged by additional partnerships at the State level including the New York State Department of Labor (NYSDOL), the State Education Department (NYSED), the Office for Temporary and Disability Assistance (OTDA), and the Office for New Americas (ONA), among others.

Among the biggest critiques of the City's workforce development system is that it does not actually constitute a system as much as a constellation of services. Yet, over the years settlement houses have proven themselves adroit at taking such disparate funding sources, each with their own reporting systems, goals and outcomes, to provide high-quality and customized opportunities to their communities.

Benefit of the CBO Approach

There are several key advantages to the provision of workforce development services through settlement houses and CBOs, including the wrap-around nature of ancillary supports, embeddedness in communities, attention paid to soft-skills development, and a mission of working with those who often have the greatest barriers to employment.

- Mission Driven Services: Settlement Houses and many other CBOs have a mission to serve those with particular vulnerabilities or barriers to self-actualization. Many of the individuals with the greatest barriers to employment—those with limited English proficiency or a lack of a high school diploma, a criminal justice history or a lack of employment history, have not been traditionally well-served by the City's Workforcel Centers. In fact, many of these individuals are turned away from those centers and told to go to their local CBO to rectify perceived deficits, and only then return for job assistance. Our system, and many CBOs are committed to serving individuals regardless of their barriers, and as such, have a key role to play in the City's plan to uplift all members and would-be members of the workforce.
- Ancillary Supports: Part of the success of CBOs in working with individuals with barriers to employment is that they often provide a wide array of support services that permit and promote the ability of the individual to achieve. Rarely do individuals that seek out supportive services only have one challenge—whether they have child care responsibilities, a lack of English proficiency, a home-bound older adult in their household, are suffering from domestic violence, or some other issue—a CBO can simultaneously address their needs through multiple services. Any approach that does not recognize, or provide for multiple solutions to the challenges individuals present with, will not adequately allow that individual to succeed in their search for skill development, employment, and retention within such employment.
- Embeddedness in Communities: A defining characteristic and strength of CBOs, and settlement houses in particular, has always been their community-based nature. Individuals living in underserved communities and the far corners of the City require non-centralized, local services. Transportation is often a major issue for New Yorkers, and especially for those not currently employed. A CBO located in the community in which a job-seeker lives, is in a much better position to serve the individual than a remote City site.

 On the supply side of employment equation, small businesses that hire from their local community are better understood and known to CBOs than the City government at large. In order to ensure businesses of all sizes and types are appropriately represented and engaged in the City's workforce plan and industry partnerships, it is critical that CBOs remain a link to those small businesses.
- ➤ <u>Soft-Skills Development</u>: While much of the City's plan is focused on hard skill training and certification, there is little discussion of soft-skills development—the attributes that allow employees to succeed in a workplace, such as understanding the importance of punctuality, teamwork, and appropriate attire, communication, etc. Particularly for youth and young adults, CBOs focus heavily on the development of these skills, both preceding, and simultaneous to, hard skills training and credentialing. Employers often cite the possession of these soft skills as what they primarily desire; specific knowledge or skills are understood to be secondary, particularly given the prevalence of on-the-job training.

City Vision for CBOs

If the City is serious about helping all New Yorkers benefit from its new Career Pathways approach, it must articulate a clear and prominent role for community based organizations. CBOs have a demonstrated commitment to, and history of successfully serving New Yorkers most in need. The following quote from the City's Workforce plan, while perhaps true of some CBOs, is an unfairly broad generalization that discounts the real expertise and experience that resides within the sector, in soft and hard skills development, as well as in linkages to businesses:

"Many programs provide case management and counseling supports, but lack the resources or expertise to offer job-relevant training and employment services. Few programs have relationships with business and industry to support leaners' career development and employment. Although employment is one of the main reasons that adult learners enroll in classes at CBOs, the structure of CBO funding does not allocate resources to services that bring significant numbers of low-skill New Yorkers into the workforce."

As discussed earlier in this testimony, CBOs do indeed provide job-relevant training and employment services. From the Lower East Side Employment Network (LESEN), a consortium of settlement hoses and community based organizations that have direct relationships to construction, hospitality and other industries in Manhattan, and provide those industries with trained employees, to the Young Adult Sectoral Employment Project (YASEP) which forges relationships between local business and non-profits to train employees for them, CBOs do have a wealth of experience in training New Yorkers and connecting them to jobs. Their success is only limited by the funding supporting their contracts and most would welcome a scaling up of their work.

Specialized Approaches to Unique Populations

Although the City's report specifically states it "does not propose customized solutions for specific populations, such as immigrants, veterans, the long-term unemployed, the formerly incarcerated, and other groups", UNH recognizes that it is the very specificity of approaches to these populations that will determine the level of success the City has in helping them obtain, retain, and advance in their employment.

Adult Learners

With 1.7 million New Yorkers lacking English proficiency and/or a high school diploma, it is critical that a strategy for helping this population improve their educational attainment be embraced. Within the Career Pathways report, income differentials between New Yorkers with or without a high school diploma are observed, and a general commitment to helping individuals improve their basic educational skills is made. However, the vast majority of the report is focused on developing paths to middle-skill careers. UNH believes it necessary that the City articulate a clear strategy for helping individuals at the lowest literacy levels—below 5th grade—and those without a high school diploma, improve their literacy and/or earn an HSE.

Specifically we recommend a significant investment in DYCD's ABE, ESOL and HSE programs, with meaningful links to bridge programs as individuals reach the appropriate skill level. Bridge programs to employment are a valuable strategy in and of themselves, but the City must recognize that basic literacy and numeracy skills are required before individuals can benefit from such bridges.

As a coordinating member of the New York City Coalition for Adult Literacy (NYCCAL), UNH endorses the Coalition's full slate of recommendations.

Youth and Young Adults

In the report, the City appropriately recognizes the success of its long-standing Summer Youth Employment Program (SYEP) — the largest in the nation. For decades SYEP has provided a critical first job for youth across the City, affording them opportunities to develop their soft skills, explore potential career paths and foster relationships with supportive adults. Beyond the anecdotal evidence of the success and popularity of the program among participants, their parents, and the non-profits and businesses that actually employ the youth, a recent New York University study confirmed that SYEP participants at academic risk experienced statistically significant improvements in their attendance and rates of taking and passing English and Math Regents exams in the school year following their participation in SYEP. Further, longstanding research from Northeastern University's Center for Labor Market Studies has indicated greater long-term rates of employment and earnings for youth engaged in employment relative to their non-employed peers.

For these reasons, UNH supports the City's recommendation to increase work-based learning opportunities, and in particular, we urge the City to adopt our five-year plan to employ 100,000 youth in SYEP per summer. Thanks to the leadership of the City Council and Administration, significant progress toward that goal was made in FY2014.

<u>As a Co-Director of the Campaign for Summer Jobs (**CSJ**), UNH endorses the campaign's full slate of recommendations.</u>

Opportunity Youth, those young adults between the ages of 17 and 24 neither enrolled in school nor working, number nearly 1860,000 in New York City and require intensive supports to reconnect to meaningful education and employment opportunities. While robust funding commitment by the City to support youth while enrolled in high school exists, once they de-enroll, the universe of funding to support their success dramatically declines. In order to leverage those resources and promote the success of these youth, UNH recommends the development of a system of reconnection to help the young adults reengage in the public school system, or as a secondary option, alternative programming. Recognizing the significant concentration of Opportunity Youth in high-need communities, we would further recommend targeted community investments in 15 to 20 of the neighborhoods with the highest proportion of Opportunity Youth.

As a Steering Committee Member of the New York Opportunity Youth Agenda (NYOYA), UNH endorses the Agenda's full slate of recommendations.

Further Areas for Consideration

Beyond UNH's core recommendations that the City <u>appropriately value CBO services</u> and <u>develop specialized approaches to discrete populations</u>, UNH also offers the following recommendations in response to specific attributes of the City's workforce plan:

Report Recommendation/Issue	UNH Comment/ Recommendation
Establish Career Pathways approach	We support; strongly encourage robust investment at
	both ends of pathway—adult education at the outset, and
	retention supports once an individual is hired.
	In addition, we note the necessity of simultaneous reform
	to the City's procurement processes to recognize the
	longer-term nature of contracted outcomes associated
	with training as compared to rapid attachment.

Utilize existing \$500m investment to redesign system	We urge the City to recognize that a shift from rapid- attachment to job training & retention is a shift to more complex and expensive services that will require increased overall investment.
Improve and contextualize existing bridge programs	We support, but encourage the City to recognize many individuals require basic skills remediation to even be eligible to participate in bridge programs; we recommend strong investment in community-based adult education programming.
Launch or expand Industry Partnerships	We encourage the City to ensure that settlement houses and other CBOs are invited to participate in partnerships; in addition, small businesses must be included—not just large, City-wide employers. UNH would support the utilization of an intermediary such as the New York City Employment and Training Coalition (NYCETC) as part of this strategy.
Increase work-based learning opportunities for youth & high-need job seekers	We support and specially recommend an expansion of SYEP to 100,000 jobs within next 5 years, as well as an expansion to year-round models such as In School Youth (ISY).
Create a standard that recognizes "high-road" employers	We support and encourage the City to think creatively about possible associated incentives to increase desirability of designation (contracting preference, etc.)
Reimburse agencies based on quality of job outcomes vs. number of placements	We support overall system goal of increasing the number of "quality" jobs New Yorkers are placed into, but urge City to recognize that not all job seekers will immediately be able to obtain such jobs until skill and experience deficits or other barriers are overcome. In the interim, for many New Yorkers, including young adults, obtaining a job to meet living expenses is paramount. CBOs and other entities should not be penalized for their commitment to serving individuals that will not immediately get "quality" jobs.
Enforce targeted hiring provisions in social service contracts	We support in principle; encourage City to work collaboratively with social service contractors to establish protocols.

Thank you for consideration of this testimony and for questions I may be reached at kdouglas@unhny.org or 917.484.9321.



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Testimony to the New York City Council Committees on Economic Development, Community Development, and Civil Service and Labor

Regarding Structural Reforms of the City's Workforce Development Systems

December 11, 2014

Thank you to Chairman Daniel Garodnick and the members of the committee for this opportunity to comment on reforming the city's workforce development system. My name is Matt Ryan and I am the Executive Director of ALIGN: The Alliance for a Greater New York. ALIGN is a longstanding alliance of labor and community dedicated to communities, climate, and jobs with justice. Creating good local jobs is at the heart of ALIGN's coalition-building work, as demonstrated in our recent efforts uniting the post-Sandy Alliance for a Just Rebuilding and our 10-point Climate Works for All jobs agenda to meet New York City's 80 x 50 carbon emissions goal.

I would first like to commend the Mayor and his administration on outlining several big steps forward on workforce development in this November's Career Pathways report. First, establishing the Mayor's Office of Workforce Development to coordinate workforce development is a key step toward building a more streamlined system. Second, pulling together the Jobs for New Yorkers Task Force moved our city towards achieving a shared vision for workforce development across multiple sectors.

Several of the recommendations from the Task Force will go a long way to ensuring career track jobs for low-income New Yorkers. The Career Pathways framework, which identifies the need to shift our resources towards career progression rather than simply job placement is an important shift. We can better spend the two-thirds of the total \$500 million workforce services budget that curently goes to programs that connect jobseekers to entry-level positions with low wages and limited advancement prospects.

While Career Pathways sets up a smart framework for workforce development, I would like to comment on how our city can deliver on the promise of good career track jobs. The central focus of a workforce development system should be on building a jobs pipeline that trains and links job seekers to career-track job opportunities and that continues to support those workers throughout their career.

Accordingly, we believe the City should expand good job standards in development to include local and targeted hiring on publicly funded projects. We are proud to stand with the New York City Building Construction Trades Coucnil today and advocate for what we believe could be the most progressive local hiring policy in the nation. Where a business receives a city contract, a tax incentive, a bond or loan, a financial benefit from upzoning or other form of public financing, 30% of hours work should be local people, at a minimum. In doing so, we should also commit to at least 15% of the workers coming from disadvantaged backgrounds and create new opporutnity for people from low-income census tracts, low-income households, formerly incarcerated, single parents, and other groups.

The training and jobs pipeline for this work should be supplied by apprenticeship programs that ensure that workers are placed in long-term career track jobs. Building trades unions offer industry wide apprentice training programs that do just that. These programs are usually 3 to 5

years and provide on the job training, classroom training; and other hands-on skills training. Most importantly, apprentices are on the job earning an income while they are learning. We do not need to recreate the wheel on apprenticeship programs. Instead, we need to support these programs and ensure that more construction workers are able to enter an apprenticeship program by linking them more closely to publicly financed economic development.

I would like to note that industry partnerships are important for establishing a feedback loop, but that these partnerships should also incorporate community based organizations and pre-apprenticeship providers that link job seekers to career opportunities. We believe this expanded community and labor partnerhsip is key to success.

I believe an emerging model for this kind of partnership is Sandy Build it Back construction. Here, the Administration is not only turning around the post-Sandy recovery, but also making sure public reconstruction dollars go the distance to create more community opporunity. ALIGN is the coordinator of the Alliance for a Just Rebuilding and has worked with the Administration to develop the Build it Back Local Hiring Initiative that recently kicked off with the "Sandy Recovery Opporunity & Resource Fair" in the Rockaways. This initiative is an example of linking community-based organizations, congregations, workforce & pre-apprenticeship programs, organized labor, and business.

Finalily, I would also like to talk about permanent jobs. Quality, streamlined, and easy to access recruitment and referal systems for job seekers is essential and can be done, as recpmmended by the Task Force, through a first source hiring system. This first source system can directly benefit New York City residents by requiring projects that receive public financing to only consider local residents and disadvantaged residents for jobs prior to opening the job to others. This system ensures priority hiring for local residents.

New local hiring and training standards, if implemented, will go a long way towards making sure publicly supported economic development creates public good.

Thank you for your time.

THE CENTER

Testimony, Economic Development, Community Development: Oversight - Mayor's Office of Workforce Development: Structural Reforms of the City's Workforce Development Systems, Committee Room, City Hall

Introduction

Good afternoon, my name is Tiffany Mathieu. I am a transgender rights advocate and Peer Intern for the Gender Identity Project at The Lesbian, Gay, Bisexual, & Transgender Community Center. I am a lifelong New Yorker, with a history of experiencing violence, homelessness and unemployment. I am grateful for the opportunity to address the important workforce issues New Yorker's face and the Mayor is seeking to address.

One concern for many of us is the possible shift away from addressing the needs of the most vulnerable job seekers. Economic mobility sounds good but one of the biggest obstacles I face when looking for a job is my criminal background. Nearly 1 in 6 transgender people have been incarcerated at some point in their lives. Among African American transgender people, 47% have been incarcerated at some point, compared to the national average of 2.7%.1

Nationwide transgender women are four times more likely to experience police violence and six times more likely to experience physical violence when interacting with police. This often leads to wrongful arrests and convictions. These statistics have impacted me personally.

Like most people, I apply to jobs online. I also have a profile on different job websites with my resume attached and so that employers can find me. I have experience with customer services, security, call centers, and administrative assistant roles that make me a qualified candidate. I live with the constant fear of interviewing with someone transphobic or who fears anyone with background in the criminal justice system like me.

Since I've started working part-time, I get relentless stares from people in my office. Despite knowing my rights, trying to use the women's bathroom has been a continuous battle. I got so fed up with rumors about me that I disclosed to everyone that I'm transgender, which only made matters worse. I am too scared to go to Human Resources out of fear, like many other

transgender people, that I will be categorized as deviant or a trouble maker.

According to a comprehensive survey from the National Gay and Lesbian Task Force and the National Center for Transgender Equality, 90% of transgender people in the U.S. face job discrimination based on identity.

Current Situation and Challenges

HIV rates among transgender people are among the highest of any demographic group. Transgender women of color have the highest HIV rate of any group in New York City and perhaps the world. In urban areas like New York, their rate of lifetime HIV infection approaches 50 percent.²

But when transgender people are actually asked about their challenges they talk about the impact of being desperately poor, about their lack of job opportunities, and about persistent discrimination - not their HIV status.

There are good reasons why transgender people share these stories first. Without a secure job or stable housing or a path to greater education, health becomes a secondary concern.

Transgender individuals are up to four times more likely to live in poverty. One-third of transgender people of color have incomes of less than \$10,000. And transgender people are twice as likely to be unemployed and underemployed, like myself.

Suggestions for the City Council

The Center's twenty-five years of experience serving the transgender community, emerging research and the first-hand accounts of transgender people themselves demonstrate a problem spoken of far less frequently then HIV, but it demands our attention – recognizing the problem of poverty is essential, especially for those of us for whom economic mobility is just a dream.

Reducing poverty and expanding livelihood opportunities, including employment, are the keys to improving the overall health and well-being of the transgender community.

Tiffany Mathieu, born in and current resident of NY

THE LESBIAN, GAY, BISEXUAL & TRANSGENDER COMMUNITY CENTER 208 W 13 ST NEW YORK, NY 10011

¹ Grant, J. M., Mottet, L. A., Tanis, J., Harrison, J., Herman, J. L., & Keisling, M. (2011). *Injustice at Every Turn: A Report of the National Transgender Equality and National Gay and Lestian Task Force.*

^{*} Nuttbrock, L., Hwanhing, S., Bockting, W., Rosenblum, A., Mason, M., Macri, M., et al. (2009). Lifetime risk factors for HIV/STI infections among maie-to-female transgender persons. Journal of Acquired Immune Deficiency Syndromes., 52 (3), 417-421.

UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA NEW YORK CITY & VICINITY DISTRICT COUNCIL OF CARPENTERS

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December 11, 2014

Oversight – Mayor's Office of Workforce Development: Structural Reforms of the City's Workforce Development Systems

Good Afternoon. Thank you Chairs Miller, Arroyo, Garodnick and all Councilmembers present, for allowing me to speak today. My name is Vanessa Salazar, and I am here representing the NYC& Vicinity District Council of Carpenters, a representative body comprised of eight individualized locals, and 25,000 members. I am a Business Agent with the union and have been a member for over 10 years. While we found some of the language in the Career Pathways Report encouraging, specifically the text calling for greater consultation with construction unions on matters of workforce development and praise for the Construction Skills program, I am here to highlight the tremendous opportunity before us.

The de Blasio Administration has the opportunity to create quality jobs, with family sustaining wages. Workforce development must be an essential component of the Mayor's affordable housing plan. The city can lift people into the middle class, along with creating affordable places to live. Through affordable housing and other City initiatives, we can work together to create good jobs for New Yorkers. My apprenticeship with the Carpenters Union included skills and safety training, preparing me for a lifelong career. We hope to extend this opportunity to even more New Yorkers.

I became a member of the Carpenters Union following my participation in NEW (Nontraditional Employment for Women); a pre-apprenticeship program that provides women with a direct entry path into a skilled trade. NEW primarily recruits minority women from the five boroughs, offering them access to a workforce sector that was in the past, almost universally male.

In the years 2013 and 2014, 100 NEW graduates became members of the NYC District Council of Carpenters. 17 percent of our current apprentices are now women. The women within the District Council are extremely active members, many of them participating in our Women's Committee, of which I am on the Steering Committee. Women have taken leadership roles within the Union, becoming Shop Stewards, Organizers and Business Agents. Some have even become community advocates, serving on their respective Community Boards. I was provided with the opportunity to join the Carpenters Union, to receive a free four-year education that provided me with all the skills necessary to be successful in my career. Now, even more women have that chance.

Pre-Apprenticeship programs like NEW, The Edward J. Malloy Initiative for Construction Skills and Helmets to Hardhats are programs already in place to provide NYC residents with career pathways. These programs should be included and expanded in any workforce development proposals moving forward, as they have proven to be tremendously successful.

UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA NEW YORK CITY & VICINITY DISTRICT COUNCIL OF CARPENTERS

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December 11, 2014

Oversight – Mayor's Office of Workforce Development: Structural Reforms of the City's Workforce Development Systems

Good Afternoon. Thank you Chairs Miller, Arroyo, Garodnick and all Councilmembers present, for allowing me to speak today. My name is Akeem Huggins, and I am here representing the New York City & Vicinity District Council of Carpenters, a representative body comprised of eight individualized locals, and 25,000 members.

I have been a member of the Carpenters Union for two years, following my graduation from Ralph R. McKee High School and from the Edward J. Malloy Initiative for Construction Skills. I am here today to discuss the tremendous work already being done by Building Trades unions and union contractors to provide NYC residents with career opportunities. I entered Construction Skills my senior year of high school, learning important health and safety guidelines, as well as receiving a general introduction to the Trades. Following my graduation from high school, I began a four week training, learning the skills necessary to be successful in a union apprenticeship program. Upon graduating the Construction skills program, I became a union Carpenter, a career that gives me tremendous pride. I am a skilled tradesperson that earns a wage that can sustain a family, a wage that puts me firmly in the middle class.

Construction Skills has been extremely successful in recruiting high school students from all five boroughs into Building Trades Unions. A 2014 Columbia University report praised the program and advocated for its expansion, citing its ability to place minority youth into quality careers. The report highlights the statistic that 90 percent of Construction Skills graduates are Black, Hispanic or Asian. In the years 2013 and 2014, the NYC District Council of Carpenters took over 50 men and women from the program into our apprenticeship program. By offering entry into a skilled trade, Construction Skills provides a direct path into the middle class.

We were encouraged by the recognition Construction Skills received in the Mayor's Career Pathways Report. The program has elevated the economic position of nearly 1,600 young persons since its creation, offering them a chance to thrive.

I am a member of the Carpenters Union, a member of the middle class, a skilled tradesman; and that is due in part, to my participation in the Edward J. Malloy Initiative for Construction Skills. Pre-Apprenticeship programs like Construction Skills are programs already in place to offer career pathways to NYC residents. I look forward to their continuation and growth.



President & CEO

Oversight Hearing

Mayor's Office of Workforce Development: Structural Reforms of the City's Workforce Development Systems

Committee on Economic Development, Committee on Community Development

and the Committee on Civil Service and Labor

Testimony of BTEA President and CEO
Louis Coletti

December 11, 2014

Good afternoon Chairs Arroyo, Garodnick and Miller, and members of the Committees. I am Louis Coletti, President and CEO of the Buildings Trades Employer's Association (BTEA), an organization representing 27 union contractor associations and over 2,000 construction managers, general contractors and specialty trades contractors doing business in New York City. Thank you for allowing me the opportunity to testify today on Mayor de Blasio's plan for overhauling the Workforce Development program.

As we studied the Mayor's proposals in his report, Career Pathways, we share the goals of good-paying jobs, skill-building, and strengthening the City's economy. We find common cause in investing in job training and opportunities that create a stronger middle class in the City. In fact, we have several proven models of job creation and hope that the Administration will adopt some. I am a proud cofounder of a program called Construction Skills. This program accomplishes the goals of employing New York City high school graduates by placing them at the top of union apprentice lists, teaching them a skilled trade and getting them into good paying union jobs.

The results speak for themselves. Since the program's inception, the 8000 union apprentices during that time are 75 percent New York City residents, and 65 people of color. The 1400 plus graduates of the Construction Skills program are 88 percent people of color. Attached you will find the statistics for the Construction Skills program.

Last year, an independent report by Columbia University entitled: <u>Expanding</u> Opportunity For Middle Class Jobs In New York City, called Construction skills 'the most successful pre- apprentice program in the country". More important, the report also found those union apprentices can expect to earn a starting salary of almost \$40k (second only to nurses), a median salary of \$60k, and over the course of their entire career earnings, \$1.6 million more than other careers for high school graduates.

Recently, BTEA along with DOE and CUNY were named partners in a new P-TECH program for New York City funded by the State. This model will give students a chance to earn both a high school diploma, and an Associate's Degree in the field of Construction Management, Civil Engineering Technology and Architectural Technology. This will include mentoring, internships and job placement in BTEA union contractor businesses.

What we don't want to see happen in the construction industry is a back-sliding into the days of short-term or part time jobs that disappear soon after a project is completed, or worse, never materialize. Unfortunately, some of those proposals are reminiscent of the old 'New York Plan for Training'. In a study, conducted by noted Urban Studies professors Timothy Bates and David Howell, they concluded, "The New York Plan placed 5,000 trainees on jobs between 1971 and 1988; only 800 of those trainees were ever accepted into unions in the construction trades." We have placed over 8000 in thirteen years, and according to the Columbia report, the retention rate for those staying in the apprentice program is 80 percent.

The BTEA is a willing partner in helping the Mayor, his Administration, and the Council in achieving these goals. We are interested in building careers that will last a lifetime, and aren't a short term fix.

In closing, I would like to see the City use these proven programs to move forward and to help those New Yorkers who suffer from income inequality by giving them the training and essential skills necessary to move them into middle class, well-paying union jobs in the construction industry. Thank you.

Testimony of Jeffrey R. Cruz, Secretary and General Counsel

E.E. Cruz & Company, Inc.

New York City Council Committees on Community Development, Economic Development, and Civil Service and Labor

Oversight – Mayor's Office of Workforce Development: Structural Reforms of the City's Workforce Development Programs

December 11, 2014, 1:00 pm

I appreciate the opportunity to comment on the City's workforce development initiatives. My name is Jeffrey Cruz. I am the general counsel of E.E. Cruz & Company, Inc., a unionized heavy civil contractor with its main office in Manhattan. We are a member of the General Contractors Association of New York and have performed construction work on many significant infrastructure projects in the NYC metropolitan area.

In particular, I would like to follow up on Denise Richardson's recommendation of a construction industry careers advisory board. As Ms. Richardson testified, GCA members are proud to be union contractors, but first and foremost, we are employers. We and our subcontractors provide jobs to union trades people on our projects, but we also help employees at every level of education and talent build rewarding careers in construction.

When you see a crew of hard hats on our sites and in the streets, what you don't see behind them are the estimators, administrative staff, accountants, payroll specialists, quality control managers, safety personnel, project schedulers, IT service providers, , designers, risk managers, environmental engineers and others who are integral to the construction process. Many start their careers at entry level positions in job trailers and in the office, gain experience and training along the way, and rise to positions of significant responsibility.

For those workers with technical aptitude, there are opportunities in construction companies for careers in IT support, computer aided design (CAD), and software based project scheduling.

Other entry level workers interested in accounting can be trained for positions in payroll, accounts payable, accounts receivable, purchasing and cost accounting.

The initiatives recommended by the GCA represent the best path to productive and meaningful workforce development in the City, and I urge the City to partner with the construction industry toward that goal. Thank you.

NYC BCTC TESTIMONY ON CAREER PATHWAYS AND WORKFORCE DEVELOPMENT

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DECEMBER 11, 2014

I WOULD LIKE TO THANK THE COMMITTEE CHAIRS GARODNICK, ARROYO AND MILLER AND THE, COMMITTEE ON ECONOMIC DEVELOPMENT; COMMITTEE ON COMMUNITY DEVELOPMENT, AND THE COMMITTEE ON CIVIL SERVICE AND LABOR, FOR THE OPPORTUNITY TO PRESENT TESTIMONY REGARDING THE MAYOR'S CAREER PATHWAYS REPORT AND THE MAYOR'S OFFICE OF WORKFORCE DEVELOPMENT AND STRUCTURAL REFORMS TO THE CITY'S WORKFORCE SYSTEMS.

THE NYC BCTC IS AN UMBRELLA ORGANIZATION FOR AFL-CIO AFFILIATED CONSTRUCTION UNIONS WITH JURISDICTION IN NEW YORK CITY. OUR AFFILIATES REPRESENT APPROXIMATELY 100,000 UNION CONSTRUCTION WORKERS IN THE CITY. OUR MEMBERS LIVE AND WORK IN THIS CITY AND THEY HELP DRIVE THE ECONOMY IN THIS CITY. THE NYC BCTC ADVOCATES THAT ALL PUBLIC WORK AND ECONOMIC AND COMMUNITY DEVELOPMENT SHOULD BE TIED TO WELL PAID CAREERS THAT HELP SUSTAIN OUR LOCAL RESIDENTS AND ECONOMY.

THE BCTC SUPPORTS THE RECOMMENDATIONS IN THE MAYOR'S REPORT ON CAREER PATHWAYS TO CHANGE THE FOCUS FROM SIMPLE JOB PLACEMENT NUMBERS/OR GOALS TO THE CREATION OF WELL PAID CAREERS AT ALL LEVELS OF EDUCATION AND IN ALL SECTORS.

THE NYC BCTC SUBMITS THAT THE BUILDING TRADES UNIONS HAVE A PROVEN MODEL FOR WORKFORCE DEVELOPMENT THROUGH OUR INDUSTRY WIDE APPRENTICE TRAINING PROGRAMS THAT SPEND BILLIONS OF DOLLARS OF PRIVATE FUNDING TO EDUCATE AND TRAIN PEOPLE FOR CAREERS IN CONSTRUCTION. OUR APPRENTICE PROGRAMS RANGE IN DURATION GENERALLY FROM 3 TO 5 YEARS AND PROVIDE ON THE JOB TRAINING, CLASSROOM TRAINING; AND OTHER HANDS-ON SKILLS TRAINING. OUR APPRENTICES WORK WHILE THEY LEARN.

THE NYC BCTC HAS MADE AND MET SUBSTANTIAL COMMITMENTS TO PROVIDE NEW APPRENTICESHIP OPPORTUNITIES TO CITY RESIDENTS, INCLUDING NYCHA RESIDENTS, HIGH SCHOOL STUDENTS, WOMEN AND VETERANS. THE NYC BCTC ALSO COMMITS TO GENERAL LOCAL HIRE AND EMPLOYMENT POLICIES.

THE BCTC SUBMITS THAT THE MAYOR'S CAREER PATHWAYS REPORT HIGHLIGHTS A CRUCIAL OPPORTUNITY TO CONNECT MORE NEW YORK CITY RESIDENTS WITH GOOD UNION CONSTRUCTION CAREERS. THE NYC BCTC HAS PARTNERED WITH NEW YORK COMMUNITIES FOR CHANGE AND ALIGN BASED ON OUR SHARED PRIORITIES AND MUTUAL GOALS TO CONNECT CONSTRUCTION SPENDING IN THE CITY'S ECONOMIC AND COMMUNITY DEVELOPMENT INITIATIVES TO GOOD UNION JOBS AND OUR EXISTING APPRENTICE PROGRAMS AND/OR PRE-APPRENTICE PROGRAMS.

THE NYC BCTC AND ITS COMMUNITY PARTNERS HAVE COMMITTED TO SUPPORT A LOCAL HIRE/EMPLOYMENT GOAL OF 30% FOR CITY RESIDENTS, INCLUDING A GOAL OF 15% OF APPRENTICESHIP OPPORTUNITIES FOR DISADVANTAGED CITY RESIDENTS, FOR ALL CITY PROJECTS. THIS COMMITMENT CAN BE INCREASED TO KEEP PACE WITH AVAILABLE WORK OPPORTUNITIES. WHERE DEVELOPMENT POLICIES INCLUDE REQUIREMENTS FOR AREA STANDARD WAGES AND BENEFITS AND NEW YORK STATE REGISTERED APPRENTICE TRAINING PROGRAMS THERE IS NO LIMIT TO OUR COMMITMENT BECAUSE SUCH HIGH ROAD DEVELOPMENT POLICIES CREATE MORE UNION CONSTRUCTION WORK OPPORTUNITIES. AS UNION WORK OPPORTUNITIES GROW SO CAN THE NEW APPRENTICE AND HIRING OPPORTUNITIES FOR CITY RESIDENTS.

POLICIES THAT ENCOURAGE NON-UNION DEVELOPMENT WITH HIGH PROFIT MARGINS TO THE NON-UNION DEVELOPER, BASIC 10 WEEK WORK READINESS PROGRAMS INSTEAD OF BONA FIDE NYS REGISTERED APPRENTICE PROGRAMS, LOW WAGES ON TEMPORARY JOBS, NON-EXISTENT OR INFERIOR HEALTH INSURANCE AND PENSIONS, AND NO STANDARDS FOR LOCAL HIRE/EMPLOYMENT, ONLY DRAIN OUR LOCAL ECONOMY.

THE CITY'S PUBLIC WORK AND ECONOMIC AND COMMUNITY DEVELOPMENT POLICIES SHOULD REQUIRE HIGH ROAD POLICIES THAT SUPPORT GOOD PAYING CAREERS FOR NEW YORK CITY RESIDENTS.

THANK YOU FOR THE OPPORTUNITY TO ADDRESS THE COMMITTEES.

New York Communities for Change Testimony on Career Pathways and Workforce Development

December 11, 2014

My name is Jonathan Westin and I am Executive Director of New York Communities for Change, a membership organization representing more than 45,000 low and moderate income families in the City of New York and on Long Island. New York Communities for Change members fight for social and economic justice throughout New York State by using direct action, legislative advocacy, and community organizing, On behalf of our members, I would like to thank committee chairs Garodnick, Arroyo, and Miller and the Committee on Economic Development; Committee on Community Development; and Committee on Civil Service and Labor, for the opportunity to present testimony on the mayor's career pathways report and his approach to creating structural reforms to the city's workforce systems.

Our members have experienced the "tale of two cities" firsthand. As low wage workers, they are struggling to meet their family's basic needs on poverty wages. They are doubled up in overcrowded apartments while relying on public benefits to make ends meet. In short, New York City's promise of opportunity for all has not reached our neighborhoods. So as an organization, we have committed to raising wages and winning respect for workers through organizing car wash, fast food, banking, and grocery store workers who have collectively won millions of dollars in back wages and raises through lawsuits and new employer commitments. And earlier this year, we launched an unprecedented collaboration, the Real Affordability for All Campaign, to solve the city's housing crisis. A major goal of this campaign is to ensure that housing policies prioritize and deliver real affordability for the most economically vulnerable households. We know that the creation of real affordable housing must also come with good jobs for the communities where housing is being built.

We support the mayor's commitment to change the city's focus from simple job placement numbers to the creation of well-paid careers at all levels of education and in all sectors. The report highlights a crucial opportunity to connect more New York City residents with union careers in construction. Indeed, all public works and community development projects should require high road policies that support well-paid careers. Development policies should include requirements for area standard wages and benefits and New York State registered apprenticeship programs. As the city targets new neighborhoods for development – particularly in East New York – our members would like to see fair labor practices put in place in new housing projects along with local hiring programs.

NYCC and its partners at the Building and Construction Trades Council of Greater New York and ALIGN-NY support a local hire/employment goal of 30% for city residents, including a goal of 15% of apprenticeship opportunities for disadvantaged city residents, for all city projects. Finally, construction recruitment should be made through referrals to pre-apprenticeships with direct entry agreements and/ or apprentice programs only.

Our communities are in desperate need of affordable housing and well-paying jobs and careers. The city's public work and economic and community development programs should support good paying jobs that lead to careers. That is how we protect our communities and create a city that extends economic opportunity to all of its citizens.

Expanding Opportunity For Middle Class Jobs in New York City:

MINORITY YOUTH EMPLOYMENT
IN THE BUILDING AND CONSTRUCTION TRADES











ESTER R. FUCHS • DORIAN WARREN • KIMBERLY BAYER

MARCH 2014





Expanding Opportunity For Middle Class Jobs in New York City:

MINORITY YOUTH EMPLOYMENT
IN THE BUILDING AND CONSTRUCTION TRADES

Case Study: Edward J. Malloy Construction Skills

Pre-Apprenticeship Program

Ester R. Fuchs Dorian Warren Kimberly Bayer

March 2014

Ester R. Fuchs is a Professor of Public Affairs and Political Science at Columbia University's School of International and Public Affairs (SIPA). Dorian Warren is an Associate Professor of Political Science and International Affairs at SIPA. Kimberly Bayer is a Project Manager at SIPA. This case study was prepared with the assistance of SIPA student research analysts Bunmi Akinnusotu, Lauren Andersen and Molly Daniell.

Special thanks to Lorie Slutsky and Patricia Jenny of the New York Community Trust, Louis Coletti, President of the Building Trades Employer Association and Paul Fernandes, President of The Edward J. Malloy Initiative for Construction Skills, Inc., Professor Paola Valenti, Kevin Gully and Chris Santulli. This case study was supported by a grant from the New York Community Trust Workforce Development Funders Group.

Columbia University School of International and Public Affairs Case Study Series in Global Public Policy: 2014, Volume 2, Case 1

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Executive Summary

The Edward J. Malloy Initiative for Construction Skills ("Construction Skills") Pre-Apprenticeship Program is an innovative successful workforce development model that has succeeded in placing minority youth in middle class careers in the construction industry in New York City. It also has contributed to increasing the diversity in the construction trade workforce so that it better reflects the City's population. The program was established in 2001 by organized labor, union construction contractors, the New York City Department of Education (DOE), New York City School Construction Authority (SCA) and The Port Authority (PA) of New York and New Jersey.

Key Findings

The Construction Skills Program's Successful Outcomes

- Construction Skills successfully targets minority youth and places them in middle class construction jobs, where the average salary is \$67,110.
- From 2001–October 2013, Construction Skills has placed 1,443 graduates into union apprenticeship programs.
- High school students that enter the Construction Skills program have a 75 percent completion rate.
- 82 percent of Construction Skills graduates are placed in union apprenticeship programs.
- Construction Skills graduates have an 80 percent retention rate as union apprentices or journey workers, a remarkable figure considering the low retention rate of apprentices nationwide.
- Almost 90 percent of the Construction Skills graduates are black, Hispanic or Asian.
- Construction Skills participants live in New York City, representing all five boroughs, including 33 percent from Brooklyn, 28 percent from the Bronx, 23 percent from Queens, 10 percent from Manhattan and 6 percent from Staten Island.

• Construction Skills is the most successful construction industry pre-apprenticeship program in the country, based on a review of placement data of pre-apprenticeship programs in other cities.

Key Elements of the Successful Construction Skills Model

- The successful program model relies on strong long-term partnerships with New York City
 Department of Education Career and Technical Education (CTE) High Schools,
 apprenticeship programs jointly sponsored by Building and Construction Trades Council
 unions and unionized construction contractors, local government agencies and the nonprofit workforce development community.
- Key elements of the Construction Skills program model that have contributed to its success include an outreach, eligibility and screening process that is coordinated directly with partner New York City public high schools, where the curriculum prepares students for careers.
- Program eligible students must have a minimum cumulative grade average of 70 percent or higher, a 90 percent attendance record and a demonstrated commitment to pursuing a career in the unionized building and construction trades.
- Partner public high schools and their assigned personnel have developed in-depth knowledge of both eligible students and the program's recruitment goals. This has contributed to Construction Skills' successful screening process.
- A strong working relationship with union apprenticeship programs allows the Construction Skills program to recruit based on an anticipated number of reserved apprenticeship openings, thereby ensuring placements for their graduates.
- Construction Skills links its recruitment of students to the availability of union apprenticeship slots and the demand for construction workers.
- The program received "direct-entry" status from the New York State Department of Labor (DOL) and a commitment from the construction unions that 10 percent of apprenticeship openings would be reserved for public high school graduates that complete the Construction Skills program and meet the apprenticeship requirements.

An Extraordinary Return on Investment for Minority Youth in Construction Skills

- An investment of \$7,500 per student (the cost of the Construction Skills Pre-Apprenticeship program) produces a very high rate of return. It increases the lifetime earning potential for a minority youth with a high school degree 166 percent compared to other high school graduates working as a fast food cook.
- With the same level of education, a Construction Skills graduate will earn \$1.6 million more over a lifetime of earnings compared to a high school graduate working as a fast food cook.
- The Construction Skills program provides a road map for successfully training and placing minority public school students in middle class jobs.

Middle Class Jobs for Minority Youth in the Unionized Construction Trades

- Union apprenticeship programs offer a rare, and in most cases free-of-charge, opportunity
 to "earn and learn", providing wages and benefits to workers while they simultaneously
 learn job-related skills.
- With an average annual wage of approximately \$67,110 for union and non-union members, health and retirement benefits for union members and a low educational barrier to entry, unionized jobs in the construction industry provide an important opportunity for lowincome youth and adults to enter the middle class.
- Construction Skills is placing its graduates in middle class jobs with higher pay and benefits when compared to the top ten high growth jobs for high school graduates.
- The New York Building Congress predicts construction spending to reach \$31.5 billion for 2013, a 14 percent increase from the prior year.
- Employment projections for 2014-2015 are expected to reach the industry's second and third highest employment totals in the past thirty years.
- From 2010 2020, an anticipated 14,200 additional workers in New York City will be added in fields classified by the U.S. Department of Commerce as construction-related.

- According to the Regional Plan Association, union construction represented more than 85 percent of the private sector market in the 1970s, but today it has decreased to 60 percent.
- The Construction Skills program has the capacity for expansion with increased employment opportunities and funding, according to Paul Fernandes, the program's president.
- Middle class jobs are vital to the City's growth and stability, yet the City's middle class
 constitutes a smaller percentage of its working age population than the nation as a whole or
 even that of the City's suburbs.

Recommendations

- Since the New York City construction market is projected to grow through 2020, these middle class jobs should be prioritized for graduates of New York City's public schools.
- Construction Skills should be expanded by tripling the percentage of apprenticeship openings reserved for high school graduates from 10 percent to 30 percent. Funding for this expansion should be provided from every level of government, the construction industry and private philanthropy.
- Expanding the pre-apprenticeship program will require an increase in unionized construction jobs. The construction labor unions and their employers must work together to implement cost-saving measures in order to increase the number of union construction jobs.
- The Mayor should convene a high-level Good Jobs Summit that brings together leaders from the Building and Construction Trade Council unions, Building Trades Employers' Association union contractors, and real estate industries including residential, commercial, healthcare and higher education in order to find ways to expand the number of union construction jobs in New York City and increase minority youth access to these jobs through pre-apprenticeship programs.
- The Construction Skills pre-apprenticeship program should be adopted as a national model for training minority youth for middle class careers in the construction industry.

Introduction

Every city in this country must deal with the challenge of economic viability. One indicator of the health of any city's economy is the number of private sector jobs being created. Job growth alone cannot support city economic viability if residents are not educated or trained for the jobs being created. Economic development must be linked to education and workforce development if a city is to be economically viable.

As New York City continues to attract high-tech jobs and jobs which require advanced degrees, there has been a general acknowledgment that our public school system must raise its standards and achievement levels so that our youth can successfully compete for these new high-skilled twenty-first century jobs. There is no disagreement that education is the way for our youth to compete effectively for these jobs. However, not all high school students will attend college and in the short-term we have a very specific employment challenge among our youth. Twenty percent of New York City youth ages 18-24 are out of school and out of work. Moreover, most of the jobs that are being created offer salaries that are barely above the poverty level without real opportunity for training or a pathway to the middle class. Nine out of the top ten projected high-growth jobs in New York City from 2010-2020 are low wage jobs (see Table 4). Nearly eight out of ten employed youth, ages 18 to 20, are currently in low-wage jobs. These youth generally receive the minimum wage, which was recently increased in New York State from \$7.25 to \$8.00 per hour, which amounts to

a yearly salary of \$16,640 for a 40-hour work week. This yearly salary is barely above the federal poverty level of \$15,510 for a family of two.⁴

One of the sectors in New York City's economy that continues to grow and create middle class jobs, even for those with only a high school degree or equivalency diploma, is the unionized building trades. There is one program in place that has worked to ensure that minority public school youth are trained and have access to these jobs. The Edward J. Malloy Initiative for Construction Skills ("Construction Skills") is a pre-apprenticeship program that prepares graduating public school students to enter the unionized apprenticeship programs in the construction trades. The

One of the only sectors in New York City's economy that continues to grow and creates middle class jobs, even for those with only a high school degree, is the unionized building trades.

overwhelming majority of Construction Skills graduates entering union apprenticeships are black, Hispanic and Asian students. Over its thirteen year history, the program has achieved

great success with a 75 percent completion rate and an 80 percent retention rate in union jobs. Construction Skills has become an important tool in diversifying the unionized construction industry and creating a middle class career path for minority students in New York City's public schools. Significantly, Construction Skills operates as a partnership with the Building and Construction Trades Council, the Building Trades Employers Association, NYC public career and technical high schools, the Consortium for Worker Education and local government agencies. This partnership has contributed to its success. Understanding the Construction Skills model has important implications for New York City's economic competitiveness and our ability to develop public policy which meets the needs of the construction industry, while ensuring our core democratic value of equal opportunity for all New Yorkers.

This report provides a detailed account of Construction Skills' history; documents and evaluates the program design; analyzes program challenges; and highlights best practices. It also considers the broader implication of the Construction Skills model for New York City's economic future. Specifically, the report considers whether the model can be expanded to increase opportunities for minority public school youth in the unionized construction industry and whether it can be used to create additional union construction jobs. The report also considers whether the Construction Skills pre-apprenticeship model could be adapted to other industries. Finally, the report provides recommendations for City government and the construction industry on how to work together to build upon the Construction Skills program's successes. The report was informed by interviews with key stakeholders, analysis of Construction Skills program data, and primary research on comparable programs in other cities.

Why Unionized Construction Jobs are Important to the Economic Future of New York City

Background

The construction industry plays a critical role in New York City's economy. The construction industry accounted for an average of 114,875 jobs⁵ and \$30 billion in spending⁶ in 2012. With an average annual wage of approximately \$67,110,⁷ health and retirement benefits for union members and a low educational barrier to entry, the construction industry provides an important opportunity for low-income youth and adults to enter the middle class. According to 2011 U.S. Census data, almost 72 percent of construction workers in New York City made over \$50,000, close to the City's median household income of \$50,711,⁸ and 53 percent earned over \$75,000 per year (see Table 1). In some trades, construction workers can earn up to \$150,000 per year (see Appendix C).

Table 1 Household Income of Construction Workers in NYC 2011*

	PERCENT OF ALL CONSTRUCTION WORKERS			
HOUSEHOLD INCOME	TOTAL	MALE	FEMALE	
< \$10,000	1.2%	1.2%	0.0%	
\$10,000-\$24,999	8.8%	8.3%	0.6%	
\$25,000-\$49,999	18.3%	17.2%	1.0%	
\$50,000-\$74,999	18.5%	17.0%	1.5%	
\$75,000-\$99,999	15.4%	13.3%	2.0%	
\$100,000-\$124,999	13.0%	12.3%	0.7%	
\$125,000-\$149,999	8.1%	7.5%	0.6%	
\$150,000-\$199,999	9.7%	8.9%	0.8%	
\$200,000+	6.9%	6.3%	0.5%	
NA	0.1%	0.1%	0.0%	
TOTAL	100%	92.2%	7.8%	

Source: U.S. Census Data 2011 American Community Survey

^{*}includes union and non-union construction workers

Unionized construction workers, in addition to a solid middle class wage, have extensive benefits. A journey worker with the New York City District Council of Carpenters is paid \$46.15 per hour, and the total value of their benefit package is \$38.88 per hour. These benefits include health care, disability coverage, life insurance, a scholarship program for their child's education, retirement contributions, a vacation fund and a pension fund. Together, these wages and benefits provide security and stability, an essential part of how our nation defines being part of the middle class.

When asked what type of jobs the mayor should focus most on growing, 58 percent of New Yorkers across all income groups, responded middle-income jobs. 10 In the past decade, the City has lost middle class jobs, particularly in administrative support and manufacturing. 11 Job growth has been at the high end and low end of the wage scale, mirroring larger trends in the national economy. 12 The largest job growth was in predominantly low-skill, low-wage jobs in the wholesale, retail and healthcare industries. 13 Middle class jobs are vital to the City's growth and stability, yet the City's middle class constitutes a smaller percentage of its working age population than the nation as a whole or even that of the City's suburbs. The City's middle class accounts for approximately 42 percent of the adult working age population, while the suburban middle class is 53 percent and in the United States it is 47 percent of the adult working population. 14 There are many explanations for the decline of middle class jobs in New York City. The most commonly cited is globalization of the economy, where businesses have access to less expensive energy, land and labor in developing countries. Whatever the explanation, there is no question that technological advances have allowed companies to reduce the size of their workforce in the City or move jobs to other lower cost locations. This trend has made construction work an even more significant part of the City's economy. Construction jobs, for the most part, are place-bound and must be done on-site. 15

Why Focus on the Construction Industry

In order to better understand how the pre-apprenticeship program might impact the availability of middle class jobs in New York City, some background on the construction industry and the union apprenticeship programs is necessary.

The construction industry and the unions

The construction industry is a unique segment of the City's economy. Construction jobs are project-based and workers tend to move from job to job. Employment with a contractor lasts only the lifetime of a specific project. In the unionized sector, construction workers consider their union their employer, not the contractor on the specific job. Once a general contractor successfully bids on a specific job, they typically do not maintain a workforce sufficient for the project. Instead the general contractors hire subcontractors who specialize in a specific trade, such as carpentry or electrical, and they rely on union hiring halls or referring systems to provide the skilled labor for each project. ¹⁶

Union workers have a majority of the market share in the New York City construction industry, though non-union workers are gradually increasing their presence. Public sector construction, especially infrastructure and large scale commercial development, are more likely to employ unionized workers compared to residential construction. According to the RPA, union construction represented more than 85 percent of the private sector market in the 1970s, while it is less than 60 percent today. 17 At the same time, public sector construction work, which accounts for about half the market, is nearly 90 percent unionized. 18 Nearly all the firms on an annual Crain's New York Business list ranking construction contractors by revenue are unionized, another indicator that large scale commercial construction is using union labor. 19 According to the Building and Construction Trades Council, the volume of work in both

"You walk around with a construction worker in New York and they will say 'we did that'— they feel a personal pride. It does something to your sense of self. In my own family, this has been the way up for us and it can be for the next wave."

- Raymond McGuire,

Raymond McGuire,
 Construction Skills Board
 Member

the union and non-union sectors has increased in the past fifteen years. They maintain that union market share has increased due to major development projects, such as the World Trade Center, Hudson Yards and the Columbia University expansion. At the same time non-union work has expanded in the hotel construction and smaller residential developments in the outer

boroughs. There also have been some larger residential developments that are now hiring non-union workers. 20

Construction costs in New York City continue to increase and outpace other large cities. According to a 2008 New York Building Congress report, construction in New York City was over 60 percent more expensive than comparable construction in Dallas, and 20 percent more expensive than Los Angeles. New York's total construction costs for high rise office towers exceeded \$400 per square foot, compared to \$180 per square foot in Chicago. Union labor costs are also higher in New York City than other large cities in the United States. A union carpenter in New York City earns \$74.81 in wages and benefits per hour, while in neighboring Boston and Philadelphia they earn \$61.97 and \$61.45 per hour respectively. ²¹

Union apprenticeship programs have been important for meeting the construction industry's need for recruiting, training and educating skilled labor. The apprenticeship training programs are funded by construction contractors through the Joint Apprenticeship and Training Committee (JATC), a labor/management partnership supported and sustained by the collective

bargaining system. This cost-sharing partnership is essential to both labor and management for ensuring a highly skilled workforce without placing an undue burden on either the industry or labor. 22 Union apprenticeship programs offer a rare, and in most cases free-of-charge. opportunity to "earn and learn," providing wages and benefits to workers while they learn job-related skills. Upon completing an apprenticeship program, which may last anywhere from two to five years, graduates earn a certificate and can achieve journey worker²³ status and increased earning opportunities. Robert Medlock, Deputy Executive Director of the Consortium for Worker Education, described the apprenticeship certificate as "tantamount to a \$40,000-50,000 technical education program. Workers complete the apprenticeship program with a lifelong credential that they can carry to any other unionized construction industry in the United States and obtain a middle class job with benefits."24

"The apprenticeship certificate [is] tantamount to a \$40,000-50,000 technical education program.

Workers complete the apprenticeship program with a lifelong credential that they can carry to any other unionized construction industry in the United States and obtain a middle class job with benefits." – Robert Medlock, Consortium for Worker Education

Construction Industry Outlook is Positive

A pre-apprenticeship program's success depends on the availability of unionized construction jobs, which in turn depends on the economic vitality of the construction industry.

The construction industry is cyclical and mirrors the growth and decline in New York City's overall economy. From 2000-2010, the industry in New York City first gained 12,980 jobs and then lost 20,803. ²⁵ When the Great Recession hit in 2008 and credit became scarce, in New York City and the rest of the country, building starts decreased and construction work declined as well. Today, the unemployment rate in construction is declining in New York City, but employment has not returned to the levels seen during the building boom of 2000-2008. ²⁶

Economic and labor projections indicate that demand for workers with construction skills will increase through 2020. The NYSDOL's long-term outlook for the construction industry is strong, as the credit markets improve and several large universities have major expansion plans. From 2010-2020, an anticipated 14,200 additional workers in New York City will be added in fields classified by the U.S. Department of Commerce as construction-related. This 12.6 percent increase places the construction industry sixth out of eighteen sectors in terms of projected overall employment growth. ²⁷

From 2010 - 2020, an anticipated 14,200 additional workers in New York City will be added in fields classified by the U.S. Department of Commerce as construction-related.

The New York Building Congress predicts construction spending to reach \$31.5 billion for 2013, a 14 percent increase from the prior year. The 2015 estimate of \$37 billion in spending would bring the industry back in line with the volume of work reached during the height of the construction boom in 2007. Additionally, employment projections for 2014-2015 are expected to reach the industry's second and third highest employment totals in the past thirty years. Continued spending growth in the residential and non-residential construction sectors is being forecasted. Residential construction spending is expected to double from \$5.2 billion in 2012 to \$10.7 billion in 2015. Non-residential construction 28 spending is predicted to increase from \$10.3 billion in 2013 to \$13.6 billion in 2015. Government spending on construction projects such as mass transit, public schools, road and bridges, however, is expected to decrease from \$13.4 billion in 2012 to \$12.8 billion in 2015. The predicted drop in government spending on construction, where the work is performed predominantly by union labor, could have a negative impact on the construction labor unions' market share.²⁹

Recruitment for Union Jobs: Importance of Pre-apprenticeship Programs

Unionized construction jobs provide an increasingly rare opportunity for people without a college degree to access jobs paying middle class wages. Yet, entry into the unionized construction trade is challenging for those with little knowledge of or personal connections to the industry. The main point of entry for unionized construction trade jobs is through the apprenticeship system, regulated in New York State by the New York State DOL (NYSDOL). The NYSDOL sets standards for recruitment, education, safety and welfare of apprentices and issues Certificates of Completion. 30

There are two ways for individuals to apply for admission to apprenticeship programs in New York City: (1) the general recruitment process or (2) "direct-entry" for qualified graduates of pre-apprenticeship and veterans programs. In the general recruitment process, which happens every two to three years, the union publicizes the availability of a specific number of applications for their apprenticeship program. There are frequently more applicants than slots available resulting in a lottery for the applications. In August 2013, the District Council of Carpenters advertised 750 applications for their apprenticeship program and thousands camped out on city streets for days in order to receive an application.³¹

The direct-entry process is a NYSDOL designation that allows candidates from preapprenticeship programs an exemption from certain aspects of the recruitment process. These direct-entry candidates must also meet all qualifications required of apprentices. Preapprenticeship and veterans organizations in New York City granted direct-entry status by the NYSDOL are: 1) Construction Skills, serving New York City public school youth 2) Helmets to Hardhats, serving honorably discharged members of the US armed services 3) Non-traditional Employment for Women, serving primarily adult women and 4) Building Works, a program housed within the New York City District Council of Carpenters that serves low-income unemployed or under-employed individuals. Nicole Bertran, Vice President of Construction Skills, describes the direct-entry process as a way to fast-track the candidates. "A general recruitment will happen every two to three years but new classes of apprentices are brought in one or two (or more) times a year. So when new classes of apprentices are brought in we are able to refer our candidates as opposed to them waiting for two more years for the next recruitment to happen. This is one of the biggest benefits of being in a pre-apprenticeship program."

The Need: Why the Pre-apprenticeship Program Originated

History of Minority Representation in the Construction Industry Workforce

Construction workers typically have a high school education and learn their trade through onthe-job training. Education or skills are not a barrier to entry yet minorities (particularly blacks and Latinos) historically have had a difficult time breaking into the construction industry. The practice of using informal social networks for both recruitment and training consistently resulted in low minority representation in the construction workforce. In the late 1960s, 92 percent of New York City's construction industry union members were white, 32 while the City's total white population had declined and by 1970 was 77 percent white and by 1980 the white population declined to 61 percent. 33

In response to legal and political pressure by civil rights advocates in the 1960s, government at all levels attempted to increase diversity in the construction trades through policy changes.³⁴ In 1964, the NYSDOL prohibited closed apprenticeship programs and required that programs undertake open and publicized recruitment drives with a variety of new criteria such as testing. In 1978, the NYSDOL set a target for minority participation in apprenticeship programs based on the percentage of the minority population within the total population. There was no enforcement mechanism, however, other than a compliance review that regularly showed that the majority of programs were out of compliance. In fact, between 1980 and 1987, even as the minority population expanded in New York City, the percentage of new apprentices who were black or Hispanic actually declined.³⁵

During President Richard Nixon's administration in 1970, the federal government launched the Philadelphia Plan, which required government construction contractors to commit to goals for increasing their minority participation in six trades in which minority representation was extremely low. Following the federally imposed Philadelphia Plan, many other cities followed suit and developed negotiated hiring plans. The New York Plan had a troubled history. Announced in March 1970 by Mayor John Lindsay, the Plan sought to enroll 800 minority workers in a trainee program, with the assistance of the Workers Defense League, ³⁶ to work on government funded projects. The trainee program was funded by the City, State and Building Trade Employers' Association and administered by a committee with appointees from the City, State, unions and employers.³⁷ The unions were reluctant to comply and after several years of disputes, Mayor Lindsay withdrew his support for the Plan in 1973. He then issued an Executive Order requiring a 1:4 ratio of minorities on all city funded projects with the goal of increasing minority membership in building and construction unions to 25 percent by 1976.³⁸

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After a series of lawsuits, in 1976 the New York State Court of Appeals ruled that Mayor Lindsay had exceeded his authority in setting goals and targets without legislative consent. In 1980, Mayor Ed Koch reinstated the goal of a 1:4 ratio of minority construction workers on all city-funded projects. However, there was no goal that minority workers become union members. In 1987, the New York State Court of Appeals finally ruled that state law provided no legal basis for a trainee program. The law only recognized two classes of workers: apprentices and journey-level employees, not trainees. As a consequence, the City was only able to require trainees for projects receiving a City tax abatement. In actuality, the long-term impact of the trainee program proved insignificant, since these trainees were rarely accepted into building and construction unions. The New York Plan placed 5,000 trainees on jobs between 1971 and 1988, but only 800 of these trainees were ever accepted into unions.³⁹

Louis Coletti, President and CEO of the Building Trades Employers' Association (BTEA), recalled that "contractors would often hire minority trainees onto job sites to get a tax abatement and then fire them after the job finished." The pre-apprenticeship training program model, training high-school students for direct-entry into union apprenticeships, was a radical departure from the unsuccessful minority trainee program.

Despite its troubled past, the construction industry has significantly increased its minority representation in recent years. Labor and contracting officials attribute the increased diversity in the construction industry workforce to several factors, including pre-apprenticeship programs such as Construction Skills, the changing demographics of New York City's population, civil rights lawsuits and a shift in attitude among union members and their leadership. According to 2011 US Census Bureau data, 57 percent of workers in the New York City construction industry, both union and non-union, are minorities.

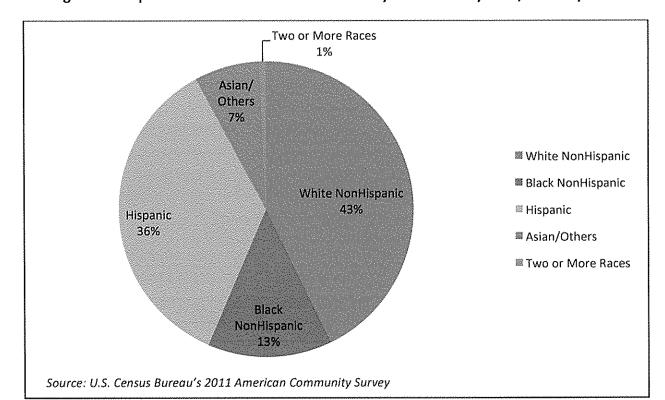


Figure 1 Composition of NYC Construction Industry Workforce by Race/Ethnicity 2011

Recent City Policies

In 2005, Mayor Michael Bloomberg announced the creation of the Commission on Construction Opportunity with the purpose of ensuring that New Yorkers from diverse backgrounds, particularly minorities, women, returning veterans, and new high school graduates of city public schools would be prepared for and have access to careers in the construction industry.⁴⁰

The building and construction trade unions, represented on the Mayor's Commission, agreed to commit 40 percent of apprentice slots for specific demographic groups. ⁴¹ In 2009, the City, the Building and Construction Trades Council (BCTC) and the Building Trades Employers' Association (BTEA) entered into a Memorandum of Understanding (MOU) that increased the commitment from 40 percent to 45 percent. Up to 10 percent of apprentice slots were for graduates of public high schools who also graduated the Construction Skills program, 10 percent for veterans, 10 percent for women, 10 percent for New York City Housing Authority and Section 8 residents and economically disadvantaged adults who have also graduated from Construction Skills or Non-traditional Employment for Women, and 5 percent for qualified employees of certified minority- or women-owned business enterprises and other employers. ⁴²

The New York City Committee on Construction Work Force and Contracting Opportunity was also created by Mayor Bloomberg to assess the implementation of the MOU. The Committee meets at least quarterly and publishes an annual report on the status of the work force and contracting opportunity policy.

After the first year of the MOU's implementation in 2010, 88 percent of 523 new apprentices were New York City residents, almost doubling the original goal of 45 percent. The number of women and graduates of public high schools also exceeded the MOU's targets. Results for veterans and New York City Housing Authority residents, however, fell short by 7 and 5 percent, respectively. 43

Although the MOU did not set goals for racial and ethnic diversity, the majority, or 69 percent, of the apprentices who were New York City residents were African Americans, Hispanics, Asians, and members of other minority groups, according to data collected by the New York State DOL. Amy Peterson, President of Non-traditional Employment for Women, described the Mayor's Commission as transformative for her program.

At the same time, the City and the BCTC entered into a series of Project Labor Agreements (PLAs) involving \$6 billion in city capital and public school capital projects through FY 2014, where work on these projects would be made available to members of BCTC unions and contractors. A PLA is a comprehensive contract between building trade unions, the City and site contractors that governs terms and conditions of employment for all craft labor on a designated construction project. A PLA is a pre-hire agreement for various trades working on a project that establishes uniform terms and conditions such as wages, hours, and work rules, and grievance, dispute, and arbitration procedures. This agreement allows project owners, contractors and unions to anticipate and avoid problems that increase the costs or slow down a project. The capital projects included in the New York City and BCTC PLA are expected to cover over 30,000 construction jobs, including 1,800 new jobs, by the end of FY 2014. The capital projects including 1,800 new jobs, by the end of FY 2014.

Another City initiative requires contractors to participate in a New York State registered apprenticeship program that provides an important standard for quality work. The Mayor's Office of Contract Services (MOCS) issued a directive in 2007 that all individual construction contracts and construction-related maintenance contracts over \$3 million must maintain apprenticeship agreements with DOL registered apprenticeship programs. Projects with an overall value of more than \$5 million, which have individual construction contracts over \$1 million, are also covered.⁴⁸

Table 2 Demographic Composition of First Year New York City Union Apprentices in 2010

Compared to New York City MOU Goals

	First-Year Apprentices	Percent First- Year NYC Apprentices	Goal Set by MOU for First- Year NYC Residents Apprentices
Total	594		
NYC Residents	523	88%	45%
NYC Residents	359	69%	n/a
African American,			
Hispanic, Asian, &			
Other			
NYC Resident	59	11%	10%
Women			
NYC Public High	68	13%	10%
School Graduates			
NYC Veterans	18	3%	10%
NYCHA Residents	26	5%	10%

Source: Construction Industry Partnership as cited in Figueroa, et al.

Changing Demographics of the Working Population: Focusing on Young Adults

The key to increasing minority worker representation in the building and construction trades is to focus on young adults. New York City's 18-24 year old young adult population has grown nearly 10 percent over the past decade. While the number of young adults in school has increased, the number of young adults out of school and out of work remains alarmingly high at almost 20 percent, according to a Fiscal Policy Institute and Community Service Society analysis. These New York City young adults are geographically concentrated in low-income neighborhoods and are more likely to be black, Latino and less educated, and to face major barriers to obtaining employment.

As the New York City young adult population has become increasingly minority, the demand for younger entry-level workers in the construction industry has also been increasing. To competitively bid on projects, contractors need to include young workers, hired at a lower rate than older more skilled workers. There is also a need to replace skilled trades people scheduled to retire. According to the U.S. Census, 53 percent of construction industry workers in New York City are over forty years old. ⁵⁰ Recruiting directly from New York City public high schools is

a crucial strategy for increasing the number of younger and minority workers in the construction industry workforce.

Young adult employment trends

Almost eight out of ten (78 percent) 18-20 year olds in New York City are employed in low-wage jobs, primarily in retail, restaurants and education/health/social services. Over the past decade, this trend has continued, growing from 65 percent in 2000, to 78 percent in 2008/10. During the same time period, the percentage of 18-20 year olds in New York City in higher-paying white-collar jobs has declined from 21 percent to 12 percent, and for blue-collar jobs from 14 percent to 10 percent.⁵¹

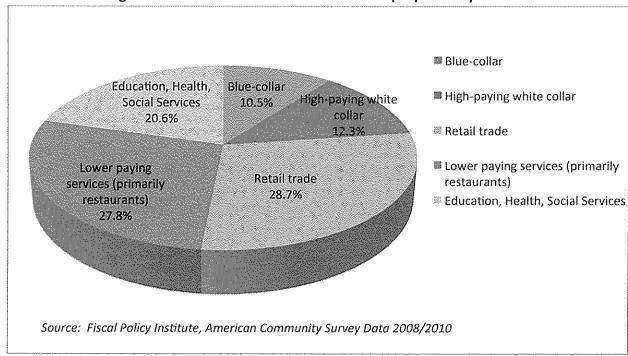


Figure 2 NYC Residents 18-20 Years Old Employment by Sector

Black, Latino and Asian youth are over-represented in the low-wage retail, blue-collar and restaurant sectors, and under-represented in higher-paying white-collar jobs. ⁵² When we consider the demographic trends and wages across sectors, the data clearly indicate that the growing construction sector provides an important employment opportunity for minority New York City youth at a middle class wage. Our discussion of remedies to this growing employment challenge leads us to consider how the pre-apprenticeship programs, such as Construction Skills, can help meet this challenge.

Edward J. Malloy Initiative for Construction Skills

Historical Background of the Pre-apprenticeship Program

The Edward J. Malloy Initiative for Construction Skills ("Construction Skills") began in 1993 as a pilot program, Project Pathways, run by the New York City School Construction Authority (SCA) and the Building and Construction Trades Council (BCTC). The idea for the program originated with Edward Malloy of BCTC. According to Louis Coletti, President and CEO of the Building Trades Employers' Association (BTEA), "Ed [Malloy] always believed that the key to a middle class in New York City was a decent paying job." Malloy proposed that local unions reserve 10 percent of seats in apprenticeship programs for New York City high school graduates. In exchange for reserving seats in apprenticeship programs, the SCA was asked by local unions to partner with them and fund the pre-apprenticeship program. Not only would the unions have to agree to this change, the 10 percent of seats reserved for program graduates also required approval from the NYSDOL. Since the participants would bypass the New York State regulated application process and would receive direct-entry into an apprenticeship program, the NYSDOL would have to approve the City's program. The pre-apprenticeship program would ensure that the students entering union apprenticeship programs were prepared. This seemingly simple idea was a radical change from the traditional methods of recruitment.

The unions agreed to recruit 10 percent of their new apprentices from graduates of the City's vocational high schools, made up of mostly black and Hispanic students. To promote employment opportunities for these apprentices, the SCA and later The PA of New York and New Jersey, required contractors on major projects to participate in state approved apprenticeship programs. In its initial years the program was very successful, placing 98 percent of the students in apprenticeships within two years of graduation. However, according to a 2000 New York City Comptroller audit of the program, the program suffered from a lack of oversight and poor management. In 1998, only 38 percent of the students were placed in apprenticeships after completing the program and in 1999, only 3 percent of graduates entered the apprenticeship training. While BCTC was a partner, Project Pathways was actually administered by the SCA. According to the program's current president, Paul Fernandes, the SCA was rightfully focused on addressing the deteriorating condition of public schools, and running a job training program became less of a priority.

There was no question about the need for this pre-apprenticeship program but the SCA was not the right place for the program. Coletti recalled, "Ed [Malloy] and I decided this was too valuable – let's create our own non-profit." Project Pathways was replaced by Construction

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Skills 2000,⁵⁷ a non-profit run by the BCTC and BTEA, with funding from the SCA and the PA of New York and New Jersey. The mission of the new program was similar; however after analyzing the programmatic issues that led to the decline of Project Pathways at the SCA, several changes were made to the program model. The program's president, Paul Fernandes, explained that the initial goal of the program was to "promote diversity and to restore the connection between the trades and the vocational and technical high schools."

Program Mission and Initial Challenges

The Construction Skills program is an unusual labor-management partnership whose mission is to provide the local construction industry with a highly-skilled diverse workforce from the New York City public school system and provide those workers with a meaningful career in the unionized building and construction trade.⁵⁸

While the mission of Construction Skills is clear, any successful program requires creative individuals with a vision, but who are also willing to manage the program design to meet the real challenges of implementation. According to program founders, there were several significant challenges in the early stages of program implementation. The first challenge was transitioning from Project Pathways to Construction Skills. After a period of decline at the SCA, Construction Skills had to re-establish support from the unions and employers who had become skeptical about the value of pre-apprenticeship programs. Construction Skills had to produce results in a short period of time. The program was evaluated resulting in new standards for recruitment, such as a minimum 70 percent average and a 90 percent attendance record. The number of students recruited was also modified so that it was solely based on demand from apprenticeship programs. This provided graduates with a more realistic opportunity for placement in an apprenticeship.⁵⁹

The second challenge was improving outreach and recruitment. High school guidance counselors who assisted in recruiting students for the program were primarily encouraging students to go to college. Based on the poor placement results from Project Pathways, they were not convinced that Construction Skills was a positive option for their students. In its initial year, the program re-established its linkage to the building and construction trades and achieved direct-entry status through the NYSDOL, and the placement rate started to increase. Positive results convinced the high school guidance counselors that the program was a legitimate alternative to college that might better fit their students' interests. Educating guidance counselors and students that there was an alternative to college that might better fit

the students' interests and could still lead to a middle class job led to an increase in the applicant pool and was key to Constructions Skills successful outreach and recruitment strategy.

An additional challenge for recruitment was overcoming a perception bias in the minority community, given the historic struggle to integrate the unionized building and construction trades. As Constructions Skills became more successful those perceptions changed.⁶¹

Program Structure

Outreach, Recruitment and Screening

Participants in the Construction Skills program are recruited through partnerships with fourteen career and technical public high schools throughout the five boroughs of New York City. 62 The guidance counselors at the high schools play a key role in recruiting appropriate students for the program. Staff from Construction Skills and the Consortium for Worker Education, a nonprofit workforce development partner, visit the schools several times per year and conduct seminars about working in the construction trades. Interested students complete an application and attend an orientation. To determine the appropriate class size, Construction Skills use industry forecasts from the apprenticeship programs which determine the number of apprenticeship openings. In addition, the program sends out an Apprenticeship Class Notification Form (see Appendix D) three to four months in advance of graduation. The notification requests information from the unions as to when their apprenticeship program is starting a new class and how many openings will be available. Using this information, Construction Skills determines how many applications they will accept and how many students they will admit. This is critically important information that enables Construction Skills to calibrate the size of their classes so that qualified students who complete their program are placed in a union apprenticeship program. It is not enough to have an excellent curriculum in a pre-apprenticeship program. If students who have successfully completed the program are not placed in an apprenticeship program, the pre-apprenticeship program has failed.

While recruitment occurs throughout the school year, students enter the program during the spring of their senior year. Eligible students must have a minimum cumulative grade average of 70 percent or higher, a 90 percent attendance record and a commitment to pursuing a career in the unionized building and construction trades industry. Program staff relies heavily on the recommendations of school liaisons. Most of these liaisons have been with the schools since the inception of Construction Skills and thus know the type of students appropriate for the program.

Curriculum and Training Period

The curriculum includes both classroom and on-site training. In the spring of their senior year, students attend one three-hour class each week for ten weeks where they receive training in math skills, safety training and an introduction to the building trades in New York City. Classes are taught by senior instructors from the fifteen affiliated building trades. Emphasis is also placed on professionalism and students learn about the importance of motivation, participation, attendance and punctuality. Students tour at least three training facilities during their spring break, where they meet with apprenticeship training coordinators and instructors to learn about the trades. These site visits give students a better understanding of what their future job entails, preparing them for the next phase of the curriculum, which includes hands on training. Robert Medlock, Deputy Executive Director of the Consortium for Worker Education, described this phase of the training as "bringing in young people whose minds have not yet understood how to make life and career decisions" and exposing them to "graduates who are new apprentices, who came through the program one year before and journey workers who completed the program four years before - to tell them where they are working, what kind of money they are making and how it has changed their lives."

Students are also assigned a Construction Skills career counselor to assist them with their choice of a trade. ⁶³ Students can choose from a number of apprenticeship trades where they will receive classroom and on-the-job training for anywhere from two to five years, depending on the trade.

The second stage of pre-apprenticeship training occurs in the summer after graduation from high school. Students participate in an intensive hands-on training designed to simulate the construction site experience. They rotate through four different job sites over four weeks and work on basic construction projects organized by local non-profit organizations. The simulations are led by a journey worker and each student is assigned a specific role on a construction site, such as a steward or foreman. ⁶⁴

Throughout the program, there is an important focus on attendance. Those who miss more than one day without a valid excuse are removed from the program. According to the program's president, Paul Fernandes, attendance is an important predictor of whether or not a young person is ready for a career in the construction trades. Students are also provided with a small stipend, including a MetroCard, to facilitate their participation. ⁶⁵

The pre-apprenticeship training period involves one three-hour class a week for ten weeks, during the last semester of their senior year in high school and four weeks of full-time training

and simulated industry employment during the summer following their graduation from high school.

Placement

Following completion of the spring and summer sessions of the pre-apprenticeship program, graduates are eligible for entry into union apprenticeship programs through a direct-entry track. As we mentioned earlier, direct-entry means Construction Skills graduates are exempt from the standard recruitment process and can bypass waiting lists. As part of the program model, up to 10 percent of new apprenticeship seats are reserved for qualified graduates of the program. Construction Skills graduates must meet all the entrance requirements of the apprenticeship programs, including aptitude and physical examinations. Each union apprenticeship program has its own entrance requirements. To prepare students, Construction Skills staff provides job interview coaching, resume development services and test preparation.

Program graduates are not all immediately placed in apprenticeships. There may be more interest in a particular trade than available openings, or students may not have turned 18 years old at graduation, a prerequisite for apprenticeships. Those not immediately placed are put on a waiting list. Construction Skills staff regularly counsel graduates on the waiting list until they are placed in an apprenticeship or find a job.

Program Completion Rates, Student Tracking and Retention Rates

According to program staff, 75 percent of enrolled students complete the pre-apprenticeship program. Each student's progress is tracked not only throughout the pre-apprenticeship, but until they complete their union apprenticeship, which may last up to five years. The retention rate for those who are progressing toward apprenticeship completion or have completed apprenticeships to become journey workers and skilled mechanics is 80 percent. The program staff reports that the extensive tracking system is vital to demonstrate to private industry that they are producing qualified, highly-trained employees. There has not been a formal survey done of student experience during or after the pre-apprenticeship program; however, the Construction Skills staff regularly communicates with pre-apprenticeship program graduates to see how they are faring in their apprenticeships.

Program Partnerships

The Construction Skills program has a strong partnership model that has been critical to its success. The program brings together labor unions, construction contractors, local government

agencies and the non-profit workforce development communities in a unique partnership. The Board of Directors of the program institutionalized the partnership by including several union leaders and contractors on their Board. An Advisory Committee includes the New York City Mayor's Office, SCA, PA of New York and New Jersey and the New York City DOE.

Each one of these partner organizations has an important role in ensuring that the preapprenticeship program works as described below.

The Building and Construction Trades Council of Greater New York (BCTC)⁶⁷ consists of local affiliates of 15 national and international unions representing 100,000 members in the five boroughs in New York City. Construction Skills' relationship with the BCTC is essential to providing placements for students in the union apprenticeship program after they graduate the pre-apprenticeship program. The relationship also allows Construction Skills to actually assess the real demand for labor and recruit an appropriate number of students to meet demand. The program is housed within the BCTC offices, and Construction Skills' President also serves as the Chief of Staff for the BCTC, further solidifying the partnership.

The **Building Trades Employers Association (BTEA)**⁶⁸ consists of 28 associations representing 2,000 union construction managers, general contractors and specialty trade subcontracting construction companies in New York City. The BTEA's current president, Louis Coletti, is one of the founders of the Construction Skills program. Its members employ the 100,000 union apprentices and journeymen and contribute funding to union apprenticeship training through Labor Management Training Funds.

The **Consortium for Worker Education (CWE)**⁶⁹ is a private, non-profit agency that provides a wide array of workforce development services, industry specific training and employment services to over 70,000 New York City workers annually, including union members, new Americans and dislocated workers. CWE develops the curriculum and provides teaching staff for the Construction Skills program. Through a grant from the City Council, CWE also provides some of the funding for the program.

The **School Construction Authority (SCA)**⁷⁰ is a public agency that manages new school construction and renovation of existing school buildings for the NYC Department of Education. The SCA provides funding for the Construction Skills pre-apprenticeship program and administered the first iteration of the pre-apprenticeship program, Project Pathways. Most importantly, the SCA hires union labor to work on their construction projects and has an interest in ensuring the high quality of the training programs.

The Port Authority of New York and New Jersey (PA)⁷¹ is a bi-state public agency that builds, operates and maintains critical public transportation and trade assets. Its network of aviation, rail, surface transportation and seaport facilities annually moves millions of people and transports cargo throughout the New York and New Jersey region. The PA, like the SCA, funds the Construction Skills pre-apprenticeship program and also hires union labor to work on its construction projects.

The New York City Department of Education (DOE) Career and Technical Education (CTE) High Schools⁷² provide a program of study that is connected to a career pathway and meets business and industry standards in that particular career through their curriculum. Programs are offered in fields ranging from construction trades to aviation technology to emergency management and multimedia production. The Construction Skills program recruits students from the CTE high schools. The outreach done in collaboration with high school liaisons brings in preapprenticeship program participants that are educationally, socially and emotionally ready to meet the challenges of the pre-apprenticeship program.

The **New York City Office of the Mayor** sets policy for promoting diversity in training, employment and contracting opportunities for City funded construction work. The Mayor's Office and the Commission on Construction Opportunity have been important catalysts in setting and achieving goals for a diverse construction workforce. The Construction Skills program has been a critical part of the City's recruitment and training strategy for accomplishing this goal.

Program Funding

The Construction Skills program funding is mainly provided by the New York City SCA and The PA of New York and New Jersey, with additional funding from the CWE (City Council funds) and the Construction Skills annual fundraiser. The funding sources and amounts have remained consistent throughout the program. SCA provides \$300,000 annually, the PA provides \$100,000 annually and the CWE contributes \$100,000 from a New York City Council grant. The program's total expenses for 2012 were approximately \$600,000.⁷³ Cost per student placed into an apprenticeship is \$7,500.⁷⁴ For a relatively small public investment, the program has an impressive record of success.⁷⁵ Given this success, the program has great potential to attract new funders.

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Program Evaluation

In order to evaluate how the Construction Skills program was meeting its goal of placing minority youth in middle class jobs we examined outreach and recruitment data, completion rate, number of students placed in union apprenticeships, whether or not the program filled the allotted apprenticeship spaces, the retention rate of program graduates in union apprenticeships, the racial and ethnic makeup of the program graduates, and average wages

and lifetime earnings for program graduates as compared to high-growth entry-level jobs. We also compared Construction Skills to pre-apprenticeship programs in other cities identifying the program characteristics that contributed to its success.

Outreach and recruitment. The comprehensive outreach process in the high schools attracts more students than there are available openings. In the past several years, Construction Skills has asked schools to submit approximately 250 applications annually, of which 140-150 are accepted, resulting in a 58 percent approximate acceptance rate. Typically, there are two main points of attrition where students leave the program — in the first few weeks after deciding it is not the right fit or after graduation from high school when some admitted students decide they want to start working immediately or go to college.

Key Constructions Skills Program Statistics

Minority Participants 88%

Acceptance Rate 58%

Completion Rate 75%

Placement Rate 82%

Retention Rate 80%

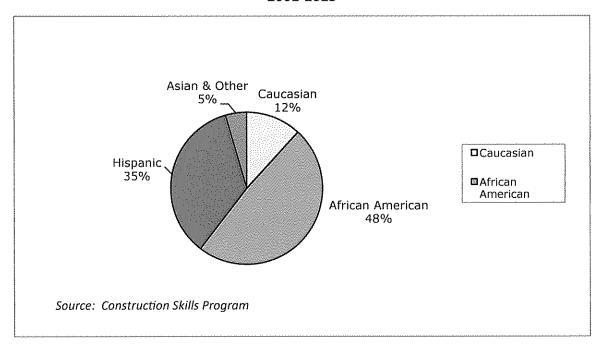
Completion Rate. From 2001 to October 2013, 1,757 students out of 2,342 completed the program. This constitutes a 75 percent completion rate for enrolled students that complete the program.

Placement and Retention Rates. From its inception in 2001 to October 2013, Construction Skills has placed 1,443⁷⁶ of its pre-apprenticeship graduates (1,757) into union apprenticeship programs; an 82 percent cumulative placement rate for its graduates.⁷⁷ If we compare placement rates with other programs, particularly in union apprenticeships, it is clear that Construction Skills is extremely successful. In an Aspen Institute survey of 236 pre-apprenticeship programs across 40 states, only 18 percent responded that they place over 75 percent of graduates in apprenticeship programs.⁷⁸

The graduates of Construction Skills have an 80 percent retention rate as union apprentices or journey workers. All participants begin receiving wages and benefits during the union apprenticeship program which lasts between 2-5 years (see Appendix B). After completing the apprenticeship, they graduate to a higher level journey worker. The retention rate of the Construction Skills program is remarkable when compared to the retention rate for construction apprentices nation-wide. Slightly more than 46 percent of the nearly 121,000 construction apprentice agreements started between 2006 and 2007 across the United States were cancelled by May 2012. The remaining 54 percent were still active apprentices. When compared with the 80 percent of Construction Skills graduates who are active apprentices and journey workers, the success of the program is clear. Further contributing to the impressive track record of the Construction Skills program is the fact that almost all of the graduates are minority. The nationwide retention rate for minority apprentices is 51 percent compared to a 56 percent white retention rate.⁷⁹

Targeted Population. Almost 90 percent of the 1,443 Construction Skills graduates placed in union apprenticeship program are black, Hispanic or Asian (see Figure 3). Construction Skills is clearly accomplishing its goal of promoting diversity in the construction trades.

Figure 3 Racial Composition of Construction Skills Graduates Placed in Union Apprenticeships, 2001-2013



All graduates of Construction Skills and all those placed in union apprenticeship programs are residents of New York City, with the majority of placed graduates from Brooklyn, the Bronx and Queens (see Figure. 4).

Manhattan
10%
Staten Island
6%

Brooklyn
33%

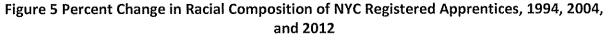
Bronx
28%

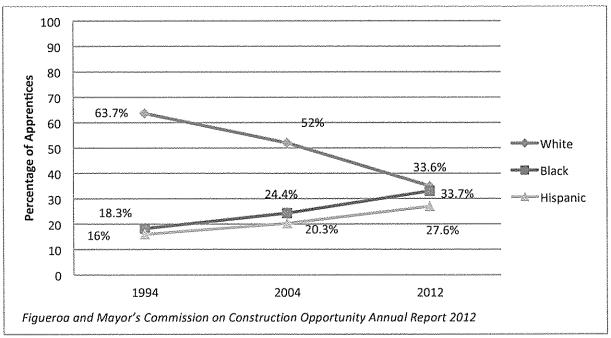
Figure 4 Residency of Construction Skills Graduates Placed in Union Apprenticeships, 2001-2013

Between 1994 and 2012, white participation in union apprenticeship programs decreased from 64 percent to 34 percent, while black and Hispanic participation increased by 15 percent and 11 percent respectively (see Figure 5). With its high rate of diversity, as more Construction Skills graduates enter union apprenticeship programs each year, they will have an even greater impact on the trade's demographic makeup.

Queens _/

Source: Construction Skills Program





Program graduate wages compared to other high-growth entry-level jobs in NYC

One way of measuring the program's success is to compare construction industry entry-level wages to entry level wages in the City's projected high-growth jobs. This comparison represents the realistic opportunities most likely to be available for high school graduates during the current decade. While there are significantly fewer construction industry job openings compared to health care and retail job openings, industry projections for growth are still high. From 2010–2020, an anticipated 14,200 additional workers in New York City will be added in fields classified by the U.S. Department of Commerce as construction-related. According to the New York State DOL, occupations in the construction industry generally, offer higher entry-level and mean annual wages than other occupations. With an average entry-level annual salary of \$34,120, the construction sector pays more than nine out of ten high-growth occupations in New York City (see Table 3). Registered nurse is the only top-ten high-growth occupation where the average annual entry-level wage is higher than in the construction industry, but it requires a college degree. All of the other nine high-growth occupations typically employ individuals with a high-school diploma or equivalent in entry-level positions. Construction workers also typically have a high school diploma; however, they earn 36 percent

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more than home health aides, the top growth occupation with the highest average annual earnings. Not only is Construction Skills clearly placing its graduates in middle class jobs, but they are doing better than all of the high school graduates going into entry level jobs in the City's high growth sectors.

Table 3 Projected NYC High-Growth Occupations Average Annual Entry Level Wage Ranked by Total Job Openings, 2010-2020

Raink	Title	Average Annual Entry- Level Wage	Typical Educational Attainment
1	Home Health Aides	\$21,730	High School Diploma
2	Retail Salespersons	\$16,910	High School Diploma
3	Personal Care Aides	\$19,060	High School Diploma
4	Cashiers	\$17,050	High School Diploma
5	Waiters and Waitresses	\$16,920	High School Diploma
6	Childcare Workers	\$19,360	High School Diploma
7	Office Clerks, General	\$19,240	High School Diploma
8	Janitors and Cleaners ⁸²	\$20,430	High School Diploma
9	Registered Nurses	\$66,040	Bachelor's Degree
10	Food Prep and Fast Food Workers ⁸³	\$16,920	High School Diploma
	Construction industry average:	\$34,120	High School Diploma

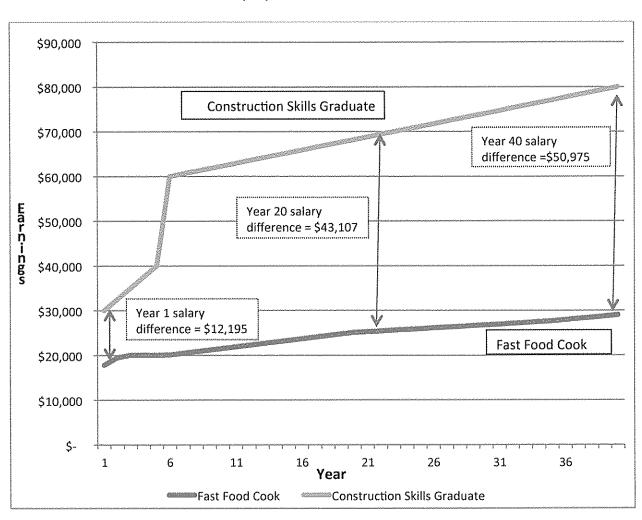
Source: NYSDOL, "Analysis of New York State's 2010-2020 Occupational Projections and Wages by Education Level", Appendix 2; NY State DOL "Long Term Occupational Employment Projections: 2010-2020"; NYSDOL Occupational Wages

Comparing the lifetime earnings of Construction Skills graduates to fast food cooks

In order to assess the return on investment in the Construction Skills Pre-Apprenticeship program we compared the lifetime earnings (40 years) of a Construction Skills graduate with a high school graduate employed as a fast food cook.⁸⁴ We chose a top ten growth occupation that pays a low wage because nearly eight out of ten employed youth, ages 18 to 20, are in low wage jobs. Without the Construction Skills program, this population is likely to be employed in a low-wage job.

The lifetime earnings of a Construction Skills graduate is \$2.6 million and is calculated by combining the low apprenticeship salary with the higher journey worker salary. The lifetime earnings of a fast food cook is \$976,136. Though both have the same high school degree when they begin work, the Construction Skills graduate earns \$1.6 million more over a lifetime of earnings (see Appendix E). An investment of \$7,500 per student (the cost of the Construction Skills Pre-Apprenticeship program) produces a very high rate of return. It increases the lifetime earning potential for a minority youth with a high school degree by 166 percent compared to other high school graduates working as a fast food cook. This income comparison does not include the health and pension benefits of a unionized construction worker, which would increase the already significant differential in lifetime earnings.

Figure 6 Average Lifetime Earnings of a Construction Skills Program Graduate who Completes Union Apprenticeship Compared to a New York City High School Graduate Employed as a Fast Food Cook



The difference between the entry-level salary of the fast food cook and the Construction Skills graduate working as an apprentice is \$12,195. In the initial year, the gain in salary for the apprentice is already greater than the investment of \$7,500 spent per Construction Skills student. This earnings disparity only increases over forty years of work. At year twenty, the difference in earnings is \$43,107, and at year forty, the difference in earnings is \$50,975. The return on the \$7,500 investment is a gateway into the middle class and a lifetime of higher earnings for the Construction Skills graduate (see Figure 6).

Comparing Construction Skills with other Pre-Apprenticeship Programs

There are many programs around the country that identify themselves as construction industry pre-apprenticeship programs. In actuality, most are simply workforce development programs that claim to train individuals for jobs in the construction industry. Most of these programs are not connected to union apprenticeship programs and do not guarantee their graduates job placements in the construction industry.

The Aspen Institute's Workforce Strategies Initiative surveyed 260 pre-apprenticeship programs across 40 states and found that many of the programs, while reporting apprenticeship placement as a goal, do not place substantial numbers of graduates into apprenticeships.⁸⁷ This is due to a variety of factors primarily the lack of availability of apprenticeship openings in certain trades and no real relationship between the pre-apprenticeship program and the union apprenticeship programs. Constructions Skills is quite distinctive when compared to initiatives in the Aspen Institute study. It focuses their placements solely on the union apprenticeship system and works closely with union and industry officials to make sure that spaces are available for their graduates.

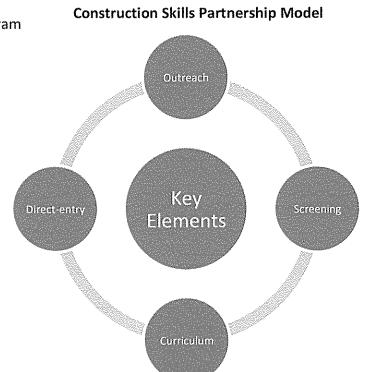
We further compared pre-apprenticeship programs in large cities to the Construction Skills program using the same evaluation criteria we developed to determine the success of Construction Skills. In the cities where we found programs, all state that their goal is to train local community members for work in the construction industry. Significantly, Construction Skills is the only program that specifically targets public high school youth for training and placement. None of the other programs guarantee placement in a union apprenticeship program. The Los Angeles program trains a larger population, but has a lower placement rate. The Boston program, which has a slightly higher placement rate, only trains 23 individuals per year and is only in its third year of operation. Construction Skills is clearly the most successful construction industry pre-apprenticeship program in the country (see Table 6).

Table 4 Comparable Pre-apprenticeship Programs in Selected Cities

City	Program	Target population	Program length	Average number of students per year ⁸⁹	Job placement rate
New York	Edward J. Malloy Initiative for Construction Skills	Public high school seniors in career and technical schools	14 weeks	120	82% of graduates 62% of all participants
Los Angeles ⁹⁰	We Build – LA Unified School District	Residents in school district ⁹¹	10 weeks	203	63% of all participants
Boston ⁹²	Building Pathways	Boston residents in low-income communities	7 weeks	23	90% of graduates 86% of all participants
Seattle ^{93 94}	Seattle Vocational Institute Pre- Apprenticeship Construction Training	Seattle residents in low-income communities, women, people of color and ex- offenders.	6 months	70	50%-80% of graduates
Cleveland ⁹⁵	Union Construction Industry Program Apprenticeship Skill Achievement Program	Cleveland area residents, including public high school students	8 weeks	60	49% of graduates

Source: Information was collected from selected city documents and personal interviews.

Limited data from the Construction Skills program makes it difficult to attribute success to any one factor in the program model. We can, however, identify four elements of the program that we found contribute to its success: outreach to students in career and technical public high schools; strong screening process and high standards; job relevant curriculum; and a direct-entry process that allows qualified graduates to bypass the standard recruitment process and avoid waiting lists. The program partners – the unionized building and construction trades, construction contractors, DOE, SCA, PA of New York and New Jersey — are also instrumental in Constructions Skills' successful model.



The pre-apprenticeship-union partnership is essential to Construction Skills' success. The partnership model allows targeted outreach and recruitment, consultation on curriculum design and guaranteed placement in union apprenticeships.

Construction Skills' close working relationship with the construction trades union allows it to recruit based on market demand. Construction Skills does not recruit students to meet a specific quota from a funder or for jobs that may not exist, avoiding the common situation where students successfully complete programs, but are not placed in employment. Through its partnership with the construction unions and direct-entry status, Construction Skills can guarantee their graduates who meet apprenticeship requirements a place in a union apprenticeship program. Without direct-entry status, they would be placed in the general pool of applicants applying for few coveted apprenticeship openings. While the recruitment process is open and regulated by the NYSDOL, as Robert Medlock, a Construction Skills Board member from the Consortium for Worker Education said, "if you don't know what newspapers to read or if you are not following the NYSDOL website — you are going to be out of luck." Construction Skills has also earned the commitment and confidence of private industry due to its proven record of training young people who are ready for the union apprenticeship program and ready to work in the construction industry. This partnership is essential to the program's success.

The Constructions Skills pre-apprenticeship program partnership with the New York City DOE has created long-term relationships within the public high school system making it easier to reach the targeted minority youth population and screen applicants who can successfully complete the program.

Construction Skills has been operating in the same schools since its inception and many of the same school liaisons have remained engaged. These liaisons know the students and the program well and their recommendations are a critical part of the successful screening process. Personalized recommendations from school officials that know their students and the Construction Skills program is a highly effective screening tool.

Outreach is connected to New York City Career and Technical Schools, where the high school curriculum prepares students for careers.

Career and Technical high schools are already serving a population interested in immediate career training. These schools have a mission that is compatible with Construction Skills and a staff that is easy to work with and understands the value of the pre-apprenticeship program.

The Construction Skills' screening process uses high standards for admission which ensures only the most qualified candidates enter and complete the program.

Students must self-identify that they are interested in the construction industry, ensuring a personal commitment to the field early in the process. The rigorous attendance and performance standards -- Students must have at least a 70 percent average and a 90 percent attendance record to participate -- contribute to the 80 percent retention rate of candidates completing apprenticeship.

The Construction Skills program provides extensive support services to prepare students for success in union apprenticeship programs.

Upon completion of the pre-apprenticeship training, students must qualify for the apprenticeship before placement. Through interview coaching, resume development services and test preparation, Construction Skills staff ensures that graduates are prepared for the entrance requirements as well as the rigorous work in the construction industry. Participants, as recent high school graduates, are young and inexperienced in the working world. Follow-up with graduates contributes to the high retention rate for apprentices and journey workers.

Predictable funding from government agencies responsible for the City's capital programs has contributed to Construction Skills' stability and long-term success.

The SCA and the PA of New York and New Jersey have funded the pre-apprenticeship program for over a decade. Both government agencies have large capital budgets for construction projects and are committed to the goals of a well-trained and diverse workforce.

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Recommendations

Construction Skills successfully targets minority youth and places them in middle class construction jobs. The program should be expanded and funding should be increased.

Continued success of an expanded program requires that the number of unionized construction jobs also expand and that the number of apprenticeship openings reserved for high school graduates increase from 10 percent to 30 percent.

The capacity for expansion of the Construction Skill program exists with an increase in employment opportunities and funding, according to Paul Fernandes, the program's president. Therefore, our recommendations focus on both ways for improving the program and expanding the number of unionized construction jobs in New York City.

Mayor de Blasio should convene a high-level Good Jobs Summit on increasing middle class jobs for minority youth in construction.

The Mayor should convene a high-level Good Jobs Summit that brings together leaders from the BCTC unions, BTEA union contractors, and real estate industry – including residential, commercial, healthcare and higher education construction, developers working on major city projects, NYCHA, the PA of New York and New Jersey, the SCA, the NYC DOE, community organizations, Construction Skills and other pre-apprenticeship programs. Mayor de Blasio has the opportunity to evaluate existing city initiatives and expand the number of construction jobs and opportunities for union apprenticeships available to minority youth in New York City and fulfill a campaign promise. ⁹⁶

Project Labor Agreements, which stipulate cost-saving measures, should be pursued to ensure union market share increases, creating more union jobs for qualified minority youth.

The New York City construction industry is experiencing growth and is expected to remain strong over the next several years, however, the costs of construction continue to rise. Union labor, while generally considered safer and more highly skilled, is also 20-30 percent more expensive than non-union labor. Many developers and contractors are willing to accept a 10 percent differential between union and non-union construction costs, but do not always have the leverage or the interest to get the unions to change some of the practices that could reduce costs. ⁹⁷ One solution to achieving cost-savings and increasing union jobs is Project Labor Agreements (PLA). Hill International, Inc., a construction consulting firm, analyzed the 2004-2009 SCA PLA with the building trades that covered \$5.4 billion of repair and renovation to city

schools, and found that labor cost savings over the project's duration were over \$221 million. The success of this PLA was one of the factors that led the City to enter into four PLAs for public infrastructure projects in 2009. There is general consensus that PLA's are an important tool, though not all parties agree that PLA's have achieved their projected cost-savings. Any PLA should have all relevant parties at the table to negotiate the most effective terms.

Survey students who complete the program as well as those who do not finish to better evaluate program recruitment strategies, curriculum and retention rates.

The completion rate for Construction Skills is very high at 75 percent. Surveying students would provide Construction Skills with data on specific aspects of the curriculum and support services that are working for students and what aspects of the program that need to be improved.

The New York City Department of Education should track pre-apprenticeship students and create a metric that reports successful completion as a positive outcome for a high school graduate.

CTE schools are evaluated using the same metrics as all other high schools, despite the fact that their purpose is to prepare students for a particular career. The Department of Education should recognize completion of apprenticeships as a positive outcome, particularly when students are entering from a CTE school. Apprenticeship placement should be tracked as its own category for evaluation, rather than combining it with employment. By placing value on an apprenticeship placement, principals and administrators are likely to provide more support for this type of outcome.

The number of CTE schools should be increased.

Students from CTE schools are more likely to graduate than comparable students in non-CTE schools. Black and Latino males also have higher graduation rates from CTE schools, at 63 and 66 percent respectively, than in non-CTE schools at 52 percent. Yet there are too few CTE schools to meet student demand according to high school rankings. An increase in CTE schools would enable the Construction Skills program to draw from a larger pool of students who have chosen an education connected to a career in the construction trades.

The pre-apprenticeship model can also consider expanding to other comparable sectors.

The pre-apprenticeship partnership model is very successful in the unionized construction industry. This model, where employers and industry stakeholders partner with public high

schools and invest in student training, has the potential to be replicated for other industries in New York City, where demand for skilled labor is high. The New York City DOE has started this process through the creation of several commissions linking employers and key industry leaders from growth sectors, such as health care, information technology and construction and sustainability to CTE schools. While there are other promising partnership models, such as the Pathways in Technology Early College High School (P-Tech) and the Health Education and Research Occupations High School (HERO), Construction Skills has a successful track record connecting students in the classroom to the demands of the workplace.

The Construction Skills program should be used as a national model for training high school youth for middle class jobs in the unionized construction industry.

The Construction Skills program is unique among other pre-apprenticeship programs across the country in that it targets high school youth and through a strong partnership with the unionized construction industry links recruitment to demand for union apprentices. The result has been strong placement and retention outcomes in union construction jobs. This model should be used for other youth pre-apprenticeship programs throughout the country.

Sources

http://www.labor.ny.gov/workerprotection/laborstandards/workprot/minwage.shtm.

8 U.S. Census Data 2010-2012 estimates

http://www.nelp.org/page/-/Job_Creation/LowWageRecovery2012.pdf?nocdn=1

http://council.nyc.gov/html/action/acpdfs/middle_Class_squeeze.pdf

¹ "Parrott, James and Treschan, Lazar. "Barriers to Entry: The Increasing Challenges Faced by Young Adults in the New York City Labor Market", Jobs First NYC, Fiscal Policy Institute and The Community Service Society. May 2013. The out of school out of work population includes the unemployed, and those not in the labor force for other reasons than being in school. The jobless rate for the young adult population is 49%, however, that includes those who are in school and not actively seeking work.

²Low-wage jobs are defined by the U.S. Population Reference Bureau as jobs with annual wages of less than \$26,818. As cited in Center for an Urban Future. April 2013. http://nycfuture.org/data/info/low-wage-jobs-2012#ii ³ New York State minimum wage increased to \$8.00 per hour on December 31, 2013. It will increase to \$8.75 on December 31,2014 and \$9.00 per hour on December 31, 2015.

⁴ 2013 Poverty Guidelines. http://aspe.hhs.gov/poverty/13poverty.cfm#thresholds

⁵ New York Building Congress, *New York City Construction Outlook Update*, "NYC Construction Employment Inches Upward While Wages Hold Steady", April 29, 2013 http://www.buildingcongress.com/outlook/042913.html

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⁷ State Department of Labor Occupational Employment Statistics Survey 2009-2013 http://labor.ny.gov/stats/lswage2.asp

⁹ Tinari, Frank and Betz, Kenneth, "Valuing Non-Wage Compensation of Private Sector Labor Union Workers in the Construction Trades", *Journal of Forensic Economics*. Volume 24, Issue 2, 2013.

¹⁰Community Service Society Survey: http://www.cssny.org/news/entry/new-yorkers-weigh-in-on-top-priorities-for-the-new-mayor

Abel, Jaison R. and Richard Deitz, "Job Polarization and Rising Inequality in the Nation and the New York-Northern New Jersey Region", *Current Issues in Economics and Finance*, Federal Reserve Bank of New York, vol. 18, no7, 2012. http://www.newyorkfed.org/research/current_issues/ci18-7.pdf

¹² National Employment Law Project, *The Low-Wage Recovery and Growing Inequality*, 2012,

¹³Partnership for New York City, NYC Jobs Blueprint, 2013. http://www.nycjobsblueprint.org/report/?report=1

¹⁴"The Middle Class Squeeze." The Council of the City of New York. February 2013.

¹⁵ Modular building which is fabricated off-site will present a new challenge to keeping construction jobs local ¹⁶ Bertran, Nicole. "Meeting the Challenge of Increasing Diversity in the Unionized Construction Industry: CSKILLS and the Role of Pre-Apprenticeship," May 2011.

¹⁷ Vitullo-Martin, Julia and Hope Cohen. "Construction Labor Costs in New York City: A Moment of Opportunity", Center for Urban Innovation, Regional Plan Association, June 9, 2011. 60 percent union market share represents only the private sector, as confirmed by Julia Vitullo-Martin in a February 2014 e-mail.

¹⁸ According to New York City's FY2010 Annual Report to the Construction Industry Partnership, over 90 percent of public works contracts were subject to Project Labor Agreements for which participation in state-approved apprenticeship programs is required or procured in non-PLA contracts for which apprenticeship participation was also mandated. These state-approved apprenticeship programs are nearly all union.

¹⁹ http://www.crainsnewyork.com/data-lists/business-lists/details/30/2706815

²⁰ Interview with Paul Fernandes, Chief of Staff, Building and Construction Trades Council of Greater New York, and President, Edward J. Malloy Initiative for Construction Skills. November 2013.

²¹ 2010 3rd Quarterly Cost Report, *Engineering News Record*, September 27, 2010 (Note: includes base rate plus unspecified fringe benefits)

²² Bertran

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³¹ "The Carpenters Union Lottery Offers a Shot at the Middle Class" *The Village Voice*. September 11, 2013. http://www.villagevoice.com/2013-09-11/news/carpenters-union-lottery/2/

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²³ Journey workers are recognized as the most qualified members of their craft and are paid top wages and benefits http://www.constructionskills.org/pages/at.html

²⁴ Interview with Robert Medlock, Deputy Executive Director, Consortium for Worker Education. October 2013.

²⁵ Friedman, Rachel S. "The Construction Boom and Bust in New York City." Bureau of Labor Statistics. *Monthly Labor Review*. October 2011.

²⁶ New York City Construction Outlook 2013-2015". New York Building Congress.

²⁷ New York State Department of Labor, "Long-Term Industry Employment Projections: 2010-2020",

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²⁹ "New York City Construction Outlook 2013-2015". New York Building Congress.

³⁰ New York State Consolidated Laws – Labor 23-810-819

³⁴ Frymer, Paul. "Acting When Elected Officials Won't: Federal Courts and Civil Rights Enforcement of in U.S. Labor Unions, 1935-1985." *American Political Science Review*. Vol. 97, no. 3, 483-499, August 2003.

³⁵ Waldinger, Roger and Bailey. Thomas. "The Continuing Significance of Race: Racial Conflict and Racial Discrimination in Construction" *Politics and Society*, January 1991.

³⁶ The Workers Defense League, a non-profit workers rights organization that currently focuses on helping workers denied unemployment insurance, was active in preparing minority youth for apprentices in the 1960s and 1970s. http://workersdefenseleague.org/index.html

³⁷ "Building Barriers: Discrimination in New York City's Construction Trades." A report by the New York City Commission on Human Rights. December 1993.

³⁸ Waldinger, et al.

³⁹ Waldinger, et al.

⁴⁰ Mayor's Office Press Release. October 5, 2006 http://www1.nyc.gov/office-of-the-mayor/news/383-05/mayor-bloomberg-congressman-rangel-comptroller-thompson-building-construction-trade-council

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⁴³ The Construction Skills contract with NYCHA to provide pre-apprenticeship services was terminated at the end of 2009. Construction Skills noted that NYCHA did not participate in efforts as defined in the contract to promote apprenticeship opportunities for its residents.

⁴⁴ Figueroa, et al.

⁴⁵ Interview with Amy Peterson, President, Non-traditional Employment for Women. October 2013.

⁴⁶ Kotler, Fred B. "Project Labor Agreements in New York State II: In the Public Interest and of Proven Value". Cornell University ILR School. May 2011. http://nybuildingtrades.com/uploads/Cornell_PLA_study_May_2011.pdf

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- ⁵⁰New York Building Congress.New York City Construction Outlook Update. December 17, 2012.
- ⁵¹ Parrot, et al.
- ⁵² Parrot, et al.
- ⁵³ Interview with Louis Coletti, President, Building Trades Employers' Association, October 2013.
- ⁵⁴ "Unstated Goal of Jobs Plan: Open Unions", Ronald Sullivan, New York Times, December 26, 1992.
- ⁵⁵ "Vocational School Training Program Fails, Audit Says", John Sullivan, New York Times, August 20, 2000.
- ⁵⁶ Interview with Paul Fernandes, Chief of Staff, Building and Construction Trades Council of Greater New York, and President, Edward J. Malloy Initiative for Construction Skills
- ⁵⁷ The program was renamed the Edward J. Malloy Initiative for Construction Skills in 2007 to honor the founder of Construction Skills 2000 and president of the Building and Construction Trades Council from 1992 2008, who passed away in 2012.
- 58 http://www.constructionskills.org/cskills.pdf
- ⁵⁹ Interview with Paul Fernandes, Chief of Staff, Building and Construction Trades Council of Greater New York, and President, Edward J. Malloy Initiative for Construction Skills.
- ⁶⁰ Interview with Diane Springer, former Program Director for Construction Skills, March 2014.
- ⁶¹ Interview with Louis Coletti, President, Building Trades Employers' Association, October 2013.
- ⁶² Participating high schools include Bronx International High School, Eagle Academy for Young Men and Samuel Gompers High School in the Bronx, William E. Grady High School, George Westinghouse High School and East New York High School for Transit Technology in Brooklyn, School of Cooperative Technical Education, Urban Assembly School for Green Careers and KIPP NYC in Manhattan, Queens Vocational and Technical High School, Thomas A. Edison Career and Technical Education High School, High School for Construction Trades, Engineering and Architecture in Queens, and Ralph McKee High School in Staten Island.
- ⁶³ Aspen Institute Workforce Strategies Initiative http://dev.aspenwsi.org/wordpress/wp-content/uploads/Malloy.pdf
- 64 Ibid.
- ⁶⁵ Interview with Paul Fernandes, Chief of Staff, Building and Construction Trades Council of Greater New York, and President, Edward J. Malloy Initiative for Construction Skills.
- ⁶⁶ From 2006 through 2009, Construction Skills had a contract with the New York City Housing Authority (NYCHA) to provide pre-apprenticeship training to NYCHA, Section 8 residents and economically disadvantaged adults. An additional 10 percent of direct-entry apprenticeship openings were reserved for this population during the contract period.
- ⁶⁷ BCTC website: http://www.nycbuildingtrades.org/
- ⁶⁸ BTEA website: http://www.bteany.com/
- 69 CWE website: http://www.cwe.org/index.php
- 70 SCA website: http://www.nycsca.org/AboutUs/Pages/default.aspx
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⁴⁷Mayor's Office Press Release. November 24, 2009. http://www1.nyc.gov/office-of-the-mayor/news/509-09/mayor-bloomberg-labor-agreements-public-projects-reduce-costs-spur-projects-and

http://b.3cdn.net/nycss/69b14af447d2a8475a r1m6brgrg.pdf

⁷³ The Edward J. Malloy Initiative for Construction Skills, Inc. IRS Form 990.

⁷⁴ Conversation with Nicole Bertran, Vice President, Construction Skills, December 23, 2013.

⁷⁵ See Earnings Analysis p 32.

⁷⁶ 228 placements were adults from NYCHA or Section 8 housing as per a 2006-2009 Construction Skills contract with NYCHA.

⁷⁷ The placement rate in union apprenticeship programs for all 2,342 students who started the program is 62 percent.

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http://www.aspeninstitute.org/sites/default/files/content/docs/pubs/09-007.pdf

⁷⁹ Helmer, Matt and Alstadt, Dave. "Apprenticeship Completion and Cancellation in the Building Trades." The Aspen Institute. 2013. http://www.aspenwsi.org/wordpress/wp-content/uploads/aspen_apprenticeship.pdf Figueroa, et al. and 2011 Annual Report, Mayor's Commission on Construction Opportunity.

⁸¹ New York State Department of Labor. Occupational Wages. http://labor.ny.gov/stats/lswage2.asp

⁸² The full name of the Department of Labor category is Janitors and Cleaners, Except Maids and Housekeeping

⁸³ The full name of the Department of Labor category is Combined Food Preparation and Serving Workers, Including Fast Food.

⁸⁴ This profession is categorized by DOL as Combined Food Preparation and Serving Workers, Including Fast Food.

⁸⁵ To calculate the lifetime earnings of a Construction Skills graduate, we used the apprenticeship wages of \$15-20 and journeyman wages of \$30-40. http://www.constructionskills.org/pages/at.html We used 2,000 hours per year to calculate the yearly earnings, as per the advice of Jeffrey Grabelsky, Director, Construction Industry Program, Cornell University ILR School, in a January 10, 2014 e-mail.

⁸⁶ http://labor.ny.gov/stats/lswage2.asp

⁸⁷ Construction Pre-apprenticeship Programs: Results from a National Survey

http://www.aspeninstitute.org/sites/default/files/content/docs/pubs/09-007.pdf

⁸⁸ Cities that were contacted include Chicago, Los Angeles, Boston, Cleveland, Seattle and Portland.

⁸⁹ Number of students may vary from year-to-year depending on the economy.

⁹⁰ Los Angeles Unified School District press release http://lausdpress.tumblr.com/post/28934173123/preapprenticeship-construction-training-program

Residents are trained for work on a \$19 billion school construction and renovation program.

⁹² Conversation with Brett Thomason, Program Coordinator, Action for Boston Community Development, January

⁹³ Seattle: The Construction Careers Handbook. Partnership for Working Families.

http://www.forworkingfamilies.org/sites/pwf/files/publications/0413%20Constr%20Careers%20HBook f web.pdf ⁹⁴ Conversation with Diane Davies, Program Administrator, Seattle Vocational Institute Pre-Apprenticeship Construction Training, January 3, 2014.

⁹⁵ Community Workforce Agreements: Pathway to Career Opportunities. Jobs for the Future. March 2013.

http://www.jff.org/sites/default/files/publications/CommunityWorkforceAgreements_030413.pdf

⁹⁶ "More Jobs, More Opportunity: Strengthening New York City's Workforce Development".

http://www.billdeblasio.com/news/stories-from-the-field/workforce-development

⁹⁷ Vitullo-Martin and Cohen.

⁹⁸ Treschan, Lazar and Mehrotra, Apurva. "Challenging Traditional Expectations: How New York City's CTE High Schools Are Helping Students Graduate." Community Service Society. February 2014.

Appendix A: Interview List

Nicole Bertran, Vice President, Construction Skills

Louis Coletti, President and CEO, Building Trades Employers' Association

Diane Davies, Program Administrator, Seattle Vocational Institute Pre-Apprenticeship Construction Training

Paul Fernandes, President, Construction Skills, Chief of Staff to Building and Construction Trades
Council President

Ross Holden, General Counsel and Executive Vice President, New York School Construction
Authority

Cas Holloway, Deputy Mayor for Operations, New York City Mayor's Office

Edwin Lopez, New York Chapter Manager, National Electrical Contractors Association, Construction Skills Board Member

Raymond McGuire, Managing Director, Contractors Association of Greater New York, Construction Skills Board Member

Robert Medlock, Deputy Executive Director, Consortium for Workers Education, Construction Skills Board Member

Amy Peterson, President, Non-traditional Employment for Women

Anne Rascon, Deputy Commissioner, Division of Economic and Financial Opportunity, New York
City Department of Small Business Services

Elly Spicer, Director, District Council of Carpenters Labor Technical College

Diane Springer, former Program Director, Construction Skills

Brett Thomason, Program Coordinator, Action for Boston Community Development

Appendix B: Building and Construction Trades: Union Apprenticeship Programs in NYC

NYC District Council of Carpenters

The New York City District Council of Carpenters and Joiners of America is a representative body comprised of ten individual Locals and 25,000 union members. The District Council functions as the voice for thousands of New York City's Carpenters, Millwrights, Dockbuilders, Timberman, Cabinetmakers and Floor coverers.

Length of program: 4 years / 5 years for Cabinetmakers

Electrical Workers Local 3

Construction and residential electricians work in all phases of the electrical construction and service industry. Electrical workers install and maintain conduits, switches and converters, wire lighting as well as complex systems incorporating computerization and high technology. Electricians work on the installation of fiber optics and voice/data/video equipment. Length of program: 5 1/2 years

Plumbers Local 1

Plumbers assemble, install and repair a variety of piping systems that carry water, waste, natural gas and medical gas in homes, schools, wastewater treatment plants, hospitals, and other commercial and public buildings.

Length of program: 5 years

Steamfitters Local 638

A steamfitter installs equipment and piping that produces and/or transmits heat by means of steam or hot water; hydraulics; compressed air and pneumatic tube; and process and general pipe fitting. Piping is installed in residential and office buildings, schools, hospitals, factories, sewage treatment and disposal plants, water treatment plants, and co-generating facilities. Length of program: 5 years

Concrete Workers District Council Local 16

Concrete workers are responsible for handling and wheeling unmixed or dry concrete material, mixing, wheeling, spreading, leveling, placing and ramming concrete and cement mortar and placing concrete on buildings and foundations. They deal with all types of form lumber or forms in connection with buildings and reinforcing steel. Concrete Workers are responsible for erecting and dismantling all cranes in connection with the work, and all hand and radio signaling of the cranes.

Length of program: 3 years

Ornamental Iron Workers Local 580

Ironworkers assemble and erect steel framework and other metal parts in buildings, on bridges, dams, and other steel structures. Ornamental ironworkers install elevator shafts, stairs, curtain walls and other decorative pieces after the primary structure of the building has been completed.

Length of program: 3 years

Structural Iron Workers & Riggers Locals 40/361

Structural ironworkers erect the framework for high-rise buildings, bridges, power plants, and towers. They raise, place, and join steel girders and columns to form these structural frameworks, including the welding of metal decking. They also erect and install pre-cast beams, columns and panels as well as rigging of heavy machinery and erect, dismantle and jump cranes and derricks.

Length of program: 3 years

Operating Engineers Local 14

Hoisting and Portable Operating Engineers work on high, operating construction cranes, as well as in deep excavations with earth moving equipment. Operating Engineers also working the sand and gravel, cement and asphalt industries; in the shipyards; on water dredges, oil refineries and oil pipelines; in sewer and water construction; in ports of major cities and in many other industries.

Length of program: 4 years

Operating Engineers Local 15

Operating engineers are workers who operate and maintain construction site equipment used to move materials, earth, and other heavy materials, and to apply asphalt and concrete to roads and other structures. They operate heavy graders, cranes, bulldozers, pavers, rollers, trench excavators, and front end loaders.

Length of program: 4 years

Mason Tenders (Laborers Locals 78 & 79)

General Building Laborers provide the demanding labor at construction projects, tunnel and shaft excavations, environmental remediation projects, and demolition sites. They clean and prepare sites, dig trenches, erect scaffolding, perform torch cutting as well as set braces. Laborers assist other skilled trades such as brick masons and carpenters.

Length of program: 3 years

Cement Masons Local 780

Cement masons place and finish concrete; they also level (screed), shape, and smooth surfaces. The majority of their work is in industrial and commercial buildings. Cement masons must know the working characteristics of various cement and concrete mixes.

Length of program: 3 years

Tile, Marble & Terrazzo Local 7

These craft workers lay marble and ceramic tiles and marble panels. They also mix, lay, and grind terrazzo (floor covering made of concrete and colored marble chips). Tile, marble, and terrazzo workers do new work as well as repair and remodel schools, hospitals, banks, office buildings, NYC subway stations, and retail shopping centers.

Length of program: 4 years

Derrickmen & Riggers Local 197

These workers place and operate all derricks, power equipment, and rigging in connection with cut stone, pre-cast stone or concrete, and mosaic and rubble on all buildings, structures, bridges, and viaducts during construction, alteration, addition or repair.

Length of program: 3 years

Roofers & Waterproofers Local 8

Roofers remove roofs, prepare roof surfaces and install new roofs. They work on various types of buildings, protecting these facilities from water leaks and damage. Waterproofing is a specialty aspect of the roofing trade but is no less important than a roof in protecting a building against moisture intrusion.

Length of program: 4 years

Metal Lathers & Reinforcing Iron Workers Local 46

Lathers install rebar in all reinforcing where needed, such as bridges, roads and buildings. They also provide support for all suspended ceilings. They erect walls that will receive lath and plaster. Lathers also make trees and rock structures for zoos and aquariums, and make all kinds of free forms that cannot be made using standard forms.

Length of program: 3 years

Sheet Metal Workers Local 28

Sheet metal workers design, fabricate, assemble, install, and repair fittings and ductwork used in construction or industry for heating, ventilation and air conditioning systems in residential, commercial, and industrial applications.

Length of program: 4 years

Painters and Allied Trades District Council 9

The District Council represents painters (paperhangers and decorators), drywall tapers, glaziers, metal polishers, and structural bridge painters. Painters remove and apply protective and decorative coatings to NYC office buildings, hospitals, schools, and other commercial and industrial structures. Drywallers prepare walls to be painted or have decorative finishes or materials applied. Bridge painters remove and apply protective coatings to bridges, ships, factories, and other structures. Glaziers fabricate and install aluminum and glass storefronts, doors, and windows.

Length of program: 4 years

Elevator Constructors Local 1

Elevator constructors assemble, install, operate, inspect, test, maintain, alter, repair and replace elevators, platform lifts, stairway chair lifts, escalators, dumbwaiters, moving walkways and similar equipment in new and old buildings.

Length of program: 4 years

Heat & Frost Insulators and Asbestos Workers Local 12

Installation workers install different types of insulating materials for five basic purposes: to prevent heat transfer; to conserve energy; to retard freezing; to protect personnel from burns; and to control mildew, mold and fire hazards. Work is done in hospitals, schools, commercial buildings, refineries, ships and industrial plants.

Length of program: 4 years

Bricklayers and Allied Craftworkers, BAC Local 1

Bricklayer craft workers build, repair and renovate structures, and portions of structures that are made of brick and other clay products and artificial masonry units made of any material. The skilled crafts represented by the BAC, often called the trowel trades, are Bricklaying and Block Laying, Pointing, Caulking and Restoration.

Length of program: 4 years

Sheet Metal Workers Local 137

Sign Fabricators and Erectors

Local Union 137 fabricates and erects all types of signage including spectaculars, billboards, sign structures and custom signs from layout to rigging. All installations are performed under the highest safety standards with licensed and insured Master Riggers, Master Sign Hangers and Special Sign Hangers. The apprenticeship program trains each member in every facet of the sign industry.

Length of program: 5 years

Appendix C: Construction Occupational Employment and Wages for NYC

OCCUPATION TITLE	NUMBER EMPLOYED	MEAN WAGES	ENTRY LEVEL	EXPERIENCED WAGE
			WAGE	
Construction and Extraction	104,000	\$67,110	\$34,120	\$83,600
Occupations				
Supervisors of Construction and	8,250	\$88,230	\$54,930	\$104,880
Extraction Workers				
Brickmasons and Blockmasons	2,210	\$72,580	\$41,570	\$88,090
Stonemasons	n/a	\$70,750	\$61,700	\$75,280
Carpenters	14,980	\$66,180	\$37,070	\$80,740
Carpet Installers	n/a	\$34,850	\$22,770	\$40,890
Floor Layers, Except Carpet, Wood, and Hard Tiles	n/a	\$31,890	\$26,220	\$34,720
Tile and Marble Setters	980	\$71,140	\$37,130	\$88,150
Cement Masons and Concrete	1,480	\$61,770	\$24,180	\$80,570
Finishers				
Terrazzo Workers and Finishers	n/a	\$54,260	\$30,520	\$66,130
Construction Laborers	18,620	\$59,470	\$29,060	\$74,680
Paving, Surfacing, and Tamping	740	\$75,310	\$56,040	\$84,940
Equipment Operators				
Pile-Driver Operators	n/a	\$121,100	\$58,050	\$152,630
Operating Engineers and Other Construction Equipment Operators	2,670	\$102,970	\$69,670	\$119,610
Drywall and Ceiling Tile Installers	860	\$49,140	630 330	ĆEO EOO
	+		\$28,230	\$59,590
Tapers	450	\$85,480	\$71,990	\$92,230
Electricians	15,560	\$82,700	\$49,550	\$99,270
Glaziers	1,460	\$41,380	\$26,390	\$48,870
Insulation Workers, Mechanical	340	\$65,720	\$26,700	\$85,230
Painters, Construction and	5,090	\$52,870	\$30,060	\$64,270
Maintenance	1,	A.		***
Paperhangers	n/a	\$43,990	\$26,170	\$52,890
Pipelayers	n/a	\$33,120	\$22,280	\$38,530
Plumbers, Pipefitters, and Steamfitters	7,900	\$70,030	\$41,650	\$84,220
Plasterers and Stucco Masons	370	\$73,390	\$52,290	\$83,940

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OCCUPATION TITLE	NUMBER EMPLOYED	MEAN WAGES	ENTRY LEVEL WAGE	EXPERIENCED WAGE
Reinforcing Iron and Rebar Workers	n/a	\$93,300	\$76,880	\$101,510
Roofers	750	\$55,360	\$25,590	\$70,250
Sheet Metal Workers	2,040	\$62,400	\$37,250	\$74,970
Structural Iron and Steel Workers	1,600	\$85,870	\$70,100	\$93,750
Solar Photovoltaic Installers	n/a	\$41,290	\$17,080	\$53,390
HelpersBrickmasons, Blockmasons, Stonemasons, and Tile and Marble Setters	690	\$41,010	\$31,680	\$45,670
HelpersCarpenters	650	\$29,410	\$20,700	\$33,770
HelpersElectricians	2,620	\$37,420	\$26,320	\$42,970
HelpersPainters, Paperhangers, Plasterers, and Stucco Masons	n/a	\$29,160	\$25,890	\$30,800
HelpersPipelayers, Plumbers, Pipefitters, and Steamfitters	1,970	\$31,040	\$21,060	\$36,040
Helpers, Construction Trades, All Other	n/a	\$22,020	\$17,470	\$24,300
Construction and Building Inspectors	2,210	\$65,340	\$43,830	\$76,090
Elevator Installers and Repairers	2,210	\$77,250	\$52,840	\$89,460
Fence Erectors	n/a	\$35,340	\$24,430	\$40,790
Hazardous Materials Removal Workers	1,580	\$59,950	\$37,380	\$71,240
Construction and Related Workers, All Other	n/a	\$65,760	\$27,590	\$84,850
Earth Drillers, Except Oil and Gas	n/a	\$80,740	\$58,560	\$91,830

Source: New York State DOL Occupational Employment Statistics (OES) survey 2009-2013

BUILDING AND CONSTRUCTION TRADES COUNCIL OF GREATER NEW YORK APPRENTICESHIP CLASS NOTIFICATION

Name of JAC	
Address	
Telephone Number	
Please provide the following informa from January 1 to April 30, 2013.	ation for all incoming apprenticeship classes scheduled to begi
START DATE(S)	Number of New Apprentices
	<u> </u>
Please indicate whether the following	g criteria will be used to screen apprenticeship candidates:
Interview	YES NO D
Aptitude Exam	YES 🗆 NO 🗅
Physical Exam	YES NO NO
Drug Screening	YES□ NO□
Other Requirements	Please specify:
Please return this form to: Nicole Bertrán Vice President The Edward J. Malloy Initiative for Const 71 West 23 rd Street, Suite 501-03 New York, NY 10010 nbertran@constructionskills.org	truction Skills (CSKILLS)
Anne Trenkle New York State Field Director Helmets to Hardhats (H2H) 71 West 23 rd Street, Suite 501 New York, NY 10010 anne@helmetstohardhats.org	
Amy Peterson President Nontraditional Employment for Women (243 West 20 th Street New York, NY 10011 apeterson@new-nyc.org	(NEW)

ALL QUALIFIED REFERRALS FROM THE EDWARD J. MALLOY INITIATIVE FOR CONSTRUCTION SKILLS, HELMETS TO HARDHATS, AND NONTRADITIONAL EMPLOYMENT FOR WOMEN ARE EXEMPT FROM RECRUITMENTS BUT MUST MEET ALL OTHER REQUIREMENTS FOR ENTRY.

Appendix E: Earnings Analysis: Fast Food Cook vs. Construction Skills Graduate

To estimate yearly earnings for a fast food cook and a construction skills graduate who completes a union apprenticeship, the following assumptions were made:

- A career lasts 40 years
- An apprentice construction worker earns between \$15.00 and \$20.00 over five years¹
- A journeyperson construction worker earns between \$30.00 and \$40.00 per hour²
- The average yearly number of hours worked in construction is 2,000³
- The alternative to the Construction Skills program is a lifetime of earnings as a New York City high school graduate, in this case employed as a fast food cook
- To estimate yearly earnings for the high school graduate, we applied the above assumptions about wage increases to NYSDOL Occupational Employment Statistics (OES) survey estimates for a Fast Food Cook⁴, and proportionally increased each year's earnings to match the 2012 Office of the Comptroller estimate of the average lifetime earnings of a New York City high school graduate (\$976,136)⁵

Earnings for a High School Graduate Working as a Fast Food Cook and a Construction Skills
Graduate who Completes Union Apprenticeship

	Fast Food Cook	Construction Skills Program Graduate
Year	Earnings	Earnings
1	\$17,805	\$30,000
2	\$19,475	\$32,500
3	\$20,031	\$35,000
4	\$20,031	\$37,500
5	\$20,031	\$40,000
6	\$20,120	\$60,000
7	\$20,478	\$60,588
8	\$20,836	\$61,176
9	\$21,193	\$61,765
10	\$21,551	\$62,353
11	\$21,909	\$62,941
12	\$22,266	\$63,529
13	\$22,624	\$64,118
14	\$22,982	\$64,706
15	\$23,339	\$65,294
16	\$23,697	\$65,882

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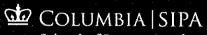
17	\$24,055	\$66,471
18	\$24,413	\$67,059
19	\$24,770	\$67,647
20	\$25,128	\$68,235
21	\$25,296	\$68,824
22	\$25,463	\$69,412
23	\$25,631	\$70,000
24	\$25,799	\$70,588
25	\$25,966	\$71,176
26	\$26,134	\$71,765
27	\$26,302	\$72,353
28	\$26,469	\$72,941
29	\$26,637	\$73,529
30	\$26,805	\$74,118
31	\$26,972	\$74,706
32	\$27,140	\$75,294
33	\$27,308	\$75,882
34	\$27,475	\$76,471
35	\$27,643	\$77,059
36	\$27,919	\$77,647
37	\$28,196	\$78,235
38	\$28,472	\$78,824
39	\$28,749	\$79,412
40	\$29,025	\$80,000
TOTAL	\$976,135	\$2,625,000

¹ http://www.constructionskills.org/pages/at.html ² http://www.constructionskills.org/pages/at.html

³ Recommended by Jeff Grabelsky, Director, Construction Industry Program, Cornell University ILR school, in an email from January 2014.

⁴ http://labor.ny.gov/stats/lswage2.asp#35-0000

⁵ http://comptrollernyc.com/bureaus/opm/reports/2012/Higher-Education-Report-FINAL.pdf



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Testimony before the New York City Council

Committee on Community Development & Committee on Economic Development

Oversight Hearing: Structural Reforms of the City's Workforce Development System

Honorable Maria del Carmen Arroyo, Chair Committee on Community Development
Honorable Daniel Garodnick, Chair, Committee on Economic Development
Presented by: Jackie McKinney, Neighborhood Family Services Coalition
December 11, 2014

Good afternoon. Thank you Chair Arroyo and Chair Garodnick for the opportunity to testify. My name is Jackie McKinney and I am here to testify on behalf of New York's Opportunity Youth Agenda (NYOYA). Opportunity youth refers to a population of young adults between the ages of 17 to 24 who are neither in school nor working. NYOYA is a coalition supported by youth providers, advocates, foundation and private sector partners focused on the reconnection of opportunity youth to meaningful education and career opportunities. Our goal is to reconnect 90,000 opportunity youth each year, which is approximately half of the total opportunity youth population.

NYOYA is excited about the work of the Mayor's Work Task Force and the recommendations suggested in the Career Pathways Report, particularly recommendation six to increase work-based learning opportunities for youth and high-need jobseekers. However, the report does not address the specific employment challenges and needs of opportunity youth. Nearly 186,000 youth in New York City are neither in school nor working. In addition to year round job opportunities, Opportunity Youth often need academic supports which include obtaining a high school or equivalent diploma.

Opportunity youth are an untapped resource for the city's workforce. Ample evidence shows investing in youth yields a strong return of investment. These benefits not only impact the individual, but also impact the economy including increased tax revenues, increased earnings, greater chance of self-sustainability and a decrease in dependence on public assistance. To that end, our recommendations include:

j e

Designing a youth-centered reconnection system to support educational attainment for young people who do not complete high school

This system should be formally attached to the K-12 school system and will support non-traditional high school alternatives, workforce development and community-based programs. A new system would offer a portion of the K-12 education funding that supports students in schools. These resources would be invested in services to connect young people to education and careers, as well as provide the infrastructure to support placement in the program that is right for them. The system would feature strong connections to the diverse array of programs at the City University of New York (CUNY).

Implementing a targeted strategy of community development for the 15-20 highest need communities that reflect the highest numbers and concentrations of out of school, out of work young adults

A disproportionate number of opportunity youth come from a handful of low-income neighborhoods. We need to acknowledge and address the impact that geography has on a young person's chances for success and make concentrated efforts to improve access to strategies that have a proven track record of success. These strategies should be culturally competent and reflect the diversity of New York City's young adult population.

Developing a comprehensive youth workforce plan that addresses both temporary and year round employment needs of the city's diverse youth populations

Addressing youth unemployment needs to be a collaborative effort among numerous programs using a variety of approaches. As the largest youth workforce program in the country, Summer Youth Employment Program (SYEP) provides temporary employment for young people ages 14-to-24 for six weeks over the summer. The report focuses its suggestion on increasing skill-building opportunities in SYEP by increasing the number of private-sector worksite. We recommend expanding SYEP to meet the demand of youth unemployment while also expanding the capacity of year round program models, such as WIA in school youth. These programs often target different youth populations and are essential in providing a comprehensive youth workforce development plan.

NYOYA is pleased that youth are included in the plan to improve career pathways in New York City. Our hope is that the diversity of youth populations reflected in the city are also represented through reforms and policies to address youth unemployment. This includes implementing educational and training opportunities that utilize short-term and year-round jobs to prepare youth to become the workforce of the future.

Thank you again for hosting this hearing. We look forward to continuing to work with you on behalf of New York City's Opportunity Youth.



NYOYA's City Council Ask

186,000 young people between the ages of 17 through 24 are not in school, nor working. New York City needs their talents and contributions to our economy, tax base, and civic life.

Develop a new Council initiative aimed at Opportunity Youth in high need communities

Of the 186,000 opportunity youth in New York City, 56% live in just 20 community districts.

The Council should invest in a new \$5 million Opportunity Youth Initiative (OYI) aimed at young people in these 20 communities. Programs seeking funding could be based in any area of New York City, but at least 50% of participants across the initiative would come from a target community. Two types of programs could be supported under this initiative:

- Comprehensive education and training programs young people without a high school or
 equivalent diploma would participate in comprehensive programs that assist them to build their
 academic skills, develop social and emotional non-cognitive skills, and receive work-related
 training.
- Supported internships and job placement young people with a high school or equivalent diploma, would be placed in paid internships with ongoing support from a community-based organization. At the end of the program, participants would be placed in jobs in related fields as their internships.

Enact Legislation to ensure that young people who do not finish high school have options

- <u>Track, target, re-engage</u> The Council would work with the new NYC DOE leadership and the NYS Education Department to develop legislation to enact a system to retain information on, track, and repeatedly offer opportunities for young people who have left high school to return to education or enroll in a CBO program, modeled after the Colorado Youth for a Change program.
- Keep resources working for our youth When a young person leaves high school before completion, they forfeit a set of city, state, and federal funds that are allocated to serve them if they are enrolled in school. A very high percentage of the young people who do not complete high school are eligible for federal funds under Titles I and III.

Other cities, such as Los Angeles and Denver, have found ways to keep some of these resources flowing to their cities in efforts to reconnect young people to high school or community based equivalency programs. We believe the City Council should investigate how it can work with the NYCDOE to develop new legislation to keep young adults eligible for these resources, and make them available to CBOs working to keep young people connected.

Steering Committee: Community Service Society of New York * JobsFirstNYC
Neighborhood Family Services Coalition * New York Association of Training and Employment Professionals
United Neighborhood Houses * Youth Development Institute



Additional Details on New Council-funded Opportunity Youth Initiative:

Across New York City, community-based organizations (CBOs) are providing services to Opportunity Youth in their neighborhoods. In many neighborhoods, demand for these programs exceeds the capacity of CBOs, due to limited funding they receive, leading to long wait lists. Young people who could be constructively re-engaged in education and workforce training are instead forced to seek other ways to use their energies and meet the needs of their families.

The Opportunity Youth Initiative is a proposed new Council initiative whereby CBOs with existing programs that can demonstrate strong results and well as unmet need in their communities, would receive additional resources from the New York City Council, along the lines of existing public funding for those programs. All organizations receiving funding would be required to meet outcomes for their participants.

Organizations currently offering public programs in any of the following three areas would be eligible for the program:

1. Internship and job placement, to serve 250 young people at \$4,000 per participant

Expanding programs such as the Young Adult Internship Program and NY Works. These programs offer young people seeking to enter the labor market but without experience to obtain a job a short-term internship or subsidized placement that encourages employers to give them an opportunity, while simultaneously offering young people on-the-job skill-building and workplace habits. Funded programs would be required to meet job placement outcomes for their participants.

2. Educational development, to serve 300 young people at \$5,000 per participant

Young adult literacy program (YALP), high school equivalency programs (HSE). High numbers of young people leave high school before graduating, and face significant literacy and numeracy challenges if they are to be able to succeed in workplace or pursue further education. Literacy and HSE programs targeted at young people build their skills in a youth development setting, and may offer internships to keep young people engaged in the program as an incentive. Programs would be required to meet educational outcomes for their participants.

3. Comprehensive education, training, and job or college placement, to serve 350 young people at \$7,000 per participant

Expanding programs such as the out-of-school youth (OSY) program, Civic Justice Corps, or Project Rise. These programs provide longer-term, intensive engagement that develops young people's academic and vocational skills, before supporting their placement in work or higher education. Funded programs would be required to meet skill development and job or college placement outcomes for their participants.

Organizations that do not currently receive public funding but offer privately-funded programs that are similar to the programs described above would also be eligible, but would be required to demonstrate how their services match those described above.

Steering Committee: Community Service Society of New York * JobsFirstNYC
Neighborhood Family Services Coalition * New York Association of Training and Employment Professionals
United Neighborhood Houses * Youth Development Institute

High Concentration/High Number Opportunity Youth Communities

The following 20 communities are home to 56 percent of out of school, out of work youth in New York City.

Neighborhood	Number of OSOW	OSOW Rate	% of City's OSOW	% of City's 17–24s	17–24 Poverty Rank	Council Member(s)
Mott Haven/Hunts Point	8400	34.0%	4.8%	2.6%	· · · · · · · · · · · · · · · · · · ·	Mark-Viverito Arroyo
E. New York/Starrett City	6980	31.3%	4.0%	2.3%	6°n	Barron Espinal
Washington Heights/Inwood	5743	21.5%	3.3%	2.8%	19 th	Levine Rodriguez
Morrisania/East Tremont	5391	22.5%	3.1%	2.5%	2 ^{no}	Gibson
Brownsville/Ocean Hill	5245	31.5%	3.0%	1.7%	5"	Espinal Mealy
Lower East Side/Chinatown	5121	20.8%	2.9%	2.6%	9 th	Chin Mendez
Soundview/Parkchester	4976	22.8%	2.8%	2.3%	15**	Palma
University Heights/Fordham	4864	23.8%	2.8%	2.1%	3''d	Cabrera
Jamaica	4714	16.6%	2.7%	3.0%	44 ^m	Lancman Miller
Highbridge/S. Concourse	4563	23.9%	2.6%	2.0%	8**	Gibson
Bensonhurst	4529	20.8%	2.6%	2.3%	412	Gentile Greenfield Treyger
BedSty	4372	23.7%	2.5%	1.9%	10 th	Cumbo Cornegy, Jr.
Borough Park	4332	21.4%	2.5%	2.1%	13 th	Lander Greenfield
North Shore	4329	19.1%	2.5%	2.4%	34 th	Rose
Williamsbridge/Baychester	4206	21.3%	2.4%	2.1%	40 th	King
Bellerose/Rosedale	4138	17.2%	2.4%	2.5%	54 th	Weprin
Kingsbridge Heights/Mosholu	4081	25.7%	2.3%	1.7%	12 ³	Cabrera
Throgs Neck/Co-op City	4047	22.9%	2.3%	1.9%	48**	Vacca King
Flatlands/Canarsie	3805	17.4%	2.2%	2.3%	51 st	Barron Williams
Pelham Parkway	3716	26.5%	2.1%	1.5%	38 th	Vacca
Total of Top 20 Neighborhoods	97,552	23.0%	55.5%	44.7%	e de la companya de l	
Rest of New York City (35 Remaining PUMA/neighborhoods)	78,066	14.8%	44.5%	55.3%	Wite	
NYC Total	175,618	18.5%	100%	100%	- AANMA	

Source: 2012 American Community Survey



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TESTIMONY OF GEORGE GRESHAM, PRESIDENT, 1199 SEIU UNITED HEALTH CARE WORKERS EAST BEFORE THE NEW YORK CITY COUNCIL COMMITTEES ON CIVIL SERVICE AND LABOR, ECONOMIC DEVELOPMENT, AND COMMUNITY DEVELOPMENT

Mayor's Office of Workforce Development: Structural Reforms of the City's Workforce Development Systems.

Good morning and thank you Speaker Melissa Mark Viverito, Council Member I. Daneek Miller, Chair of the Committee on Civil Service and Labor, Council Member Maria Del Carmen Arroyo, Chair of the Committee on Community Development, Council Member Dan Garodnick, Chair of the Committee on Economic Development, and all the Committee members for this opportunity speak on behalf of the 220,000 1199 SEIU-UHWE members residing in New York City.

1199SEIU-UHWE supports the Mayor's initiative to transform the City's workforce development systems. Our Union is no stranger to sector-based workforce development, having established a labor-management Training Fund back in 1969. Each year, more than 30,000 members receive education and training that promote healthcare career ladders. As the industry expands and new practices surface, we identify job growth opportunities and offer required training to fill those jobs. By offering vital credentials and degrees, we provide and upgrade skills for existing jobs, improving job performance and increasing potential for upward mobility. To make it possible, we focus on adult learning strategies and needs, such as providing child care.

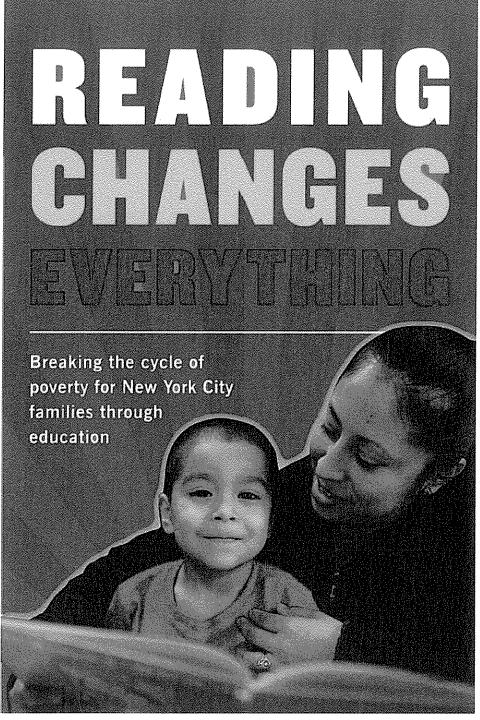
The Mayor's proposal encourages Union involvement. We believe that this is crucial to successful career pathways and retention. Together, 1199 and management compile statistics and study industry trends, including compensation rates, job safety, performance standards, and customer satisfaction. We collaborate to identify process improvements, cost savings and quality care initiatives, which has been the cornerstone of the 1199 Labor Management Project. One of our strongest allies has been CUNY, with whom we work to identify new healthcare fields, understand job growth prospects, detect and advance training needs, and ensure best practices for the targeted industries and job titles. These are quality jobs that contribute to the City's tax revenues and increase consumer spending.

The workforce development initiatives outlined in the Jobs Task Force report should be one key element of an overall strategy to fight poverty and "lift the floor" for our City's workers. One area of great importance is contracting of social services. These providers are joining healthcare networks to deliver care management, wellness and other preventive services. Although they provide vital services to City residents, compensation levels for social service providers leave too many dedicated workers living in poverty. The City could engage in a strategy that boosts compensation to livable wages and eventually to middle class standards. We suggest that similar to the wage standards set for economic development projects, the City set and reimburse livable wages for these providers.

In closing, workforce development initiatives increase wages, improve working conditions, create new quality jobs, and result in reduced poverty, which is our common goal.

NEW YORK CITY PRINCIPAL **HEADQUARTERS**

FOR THE RECORD



Education and Training for the Most Important Job in the City: A Critical New Perspective on Workforce Development Priorities

> Anthony Tassi anthonyt@literacypartners.org December 11, 2014

Good afternoon Chairpersons Arroyo, Garodnick, Miller and honorable Committee members. My name is Anthony Tassi and I am the executive director of Literacy Partners. We strengthen families by empowering parents through education. With our free classes, low-income and immigrant parents gain the skills to create a better life for themselves and their families while also transferring crucial literacy skills to their children.

Thank you for convening this important hearing to review Mayor de Blasio's new workforce development strategy. Literacy Partners strongly endorses this new strategy and we are particularly pleased to see an emphasis on long-term skills development over short-term workforce attachment activities. The latter often give providers and policymakers alike a false sense of productivity, but frequently lead to low-wage job churning rather than stable long-term employment that pays a family supporting wage.

The Mayor's team correctly identifies adult literacy and language skills as the key to building meaningful bridges for many low-income New Yorkers into hard-skills training that leads to living wage jobs and career ladder opportunities. Focusing on specific sectors of the economy as a means of organizing and coordinating efforts is likely to produce important improvements in the results of our collective job training efforts.

The City Council has the opportunity to enhance the Administration's vision by focusing attention on the long-term goal of creating One City and examining the workforce requirements to achieve that ambitious goal.

The Most Important Job in the City's Economy

For all of its strengths, the approach identified by the Mayor's Office of Workforce Development fails to mention the single most important job in the City. The *Career Pathways* strategy is good public policy, but it misses the one job that every employer depends on; the job that actually drives worker productivity and quality of goods and services across every sector of the economy. **That job is parenting**.

Parents' Literacy Levels Drive Children's Education Results: Pre-K to High School Graduation

While it may be cliché to point out that parents are responsible for the future of the City, it also happens to be true. Whether prepared or not, parents are by definition children's first and primary teacher and the most significant influence on their early cognitive development. Indicators of cognitive development and early literacy skills – as young as 18 months – are strongly predictive of later academic achievement, including grade level reading (which, in turn predicts high school graduation).

National education statistics confirm that the most reliable predictor of early academic achievement among children is the educational attainment and literacy levels of their parents. See figure 1.

Figure 1: Low Parental Education is Driving Educational Disparities Among Children

	Parents with no HS Degree				
Early Literacy % of 2-Year Olds Demonstrating Skills					
Expressive vocabulary	50.5%	71.1%			
Listening comprehension	25.4%	42.6%			
Emergent Literacy Avg Test Scores of 4-Year Ol	ds				
Early reading	18.7	28.8			
Math	23.6	33.2			
Kindergarten Entrance Exams – Avg Test Scores					
Reading	26.3	38.4			
Math	21.0	33.1			
Activities at Home					
Read to by family member >3x/week	56%	90%			

National Center for Educational Statistics (USDOE), Digest of Education Statistics 2010; 2012.

In fact, the achievement gap among children is greater when measured by their parents' educational attainment than when measured by race or family income. See figure 2.

Figure 2: Achievement Gap is Bigger When Measured By Parents' Education Rather Than Race or Income

	Parental		Family
	Education	Race	Income
Early Literacy – Gap in % of 2-Year Olds D	emonstrating Skills		
Expressive vocabulary	29%	21%	18%
Listening comprehension	40%	29%	25%
Emergent Literacy – Gap in Avg Test Score	s of 4-Year Olds		
Early reading	35%	16%	24%
Math	29%	15%	21%
Kindergarten Entrance Exams – Gap in Av	g Test Scores		
Reading	31%	10%	23%
Math	37%	19%	28%
Activities at Home – Gap in Frequency of	Activity		
Read to by family member >3x/week	41%	14%	18%

National Center for Educational Statistics (USDOE), Digest of Education Statistics 2010; 2012. Parental Education is BA Degree vs. No HS; Race is White vs Black; Family Income is > poverty vs < poverty vs < poverty.

The national data also confirm that with each additional increment of education that parents achieve, their children fare better and better in school. See figure 3.

Figure 3: The Achievement Gap Shrinks with Each Increment in Parental Education

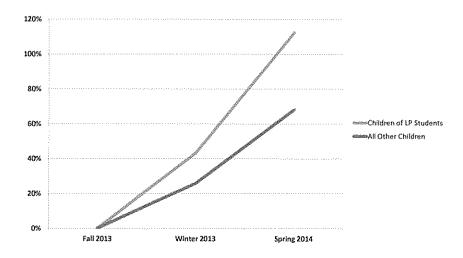
		HS	Some	BA
	No HS	Dogree	College	- Degree
Early Literacy % of 2-Year Olds Demoi	nstrating Skill	s	88888	
Expressive vocabulary	50.5%	58.7%	64.0%	71.1%
Listening comprehension	25.4%	31.8%	36.6%	42.6%
Emergent Literacy Avg Test Scores of	1-Year Olds			
Early reading	18.7	21.6	24.3	28.8
Math	23.6	25.9	28.9	33.2
Kindergarten Entrance Exams – Avg Test	Scores			
Reading	26.3	29.9	33.7	38.4
Math	21.0	24.7	28.4	33,1
Activities at Home				
Read to by family member >3x/week	56%	74%	84%	90%

National Center for Educational Statistics (USDOE), Digest of Education Statistics 2010; 2012. Parental Education is BA Degree vs. No ff5; Race is White vs Black; Family Income is > poverty vs < poverty vs < poverty.

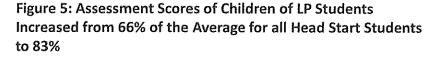
Parent Education at Literacy Partners Helps Close the Achievement Gap Among Children

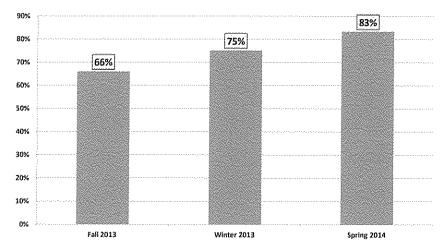
Data from Literacy Partners program in the South Bronx also confirms that children of parents who are enrolled in an English class for parents do better on their Head Start assessments than their peers whose parents were not enrolled in classes. See figure 4.

Figure 4: Head Start Assessment Scores Increased More for Children of LP Students Than for Other Head Start Children



A measurable achievement gap already exists when children begin Head Start, and parent education classes like Literacy Partners can close about half the gap within one academic year. See figure 5.





Boosting Parents' Skills Increases the Quality of the City's Workforce Now and in the Future

If you ask any employer in the City whether they would rather hire workers who scored at the higher or lower end of the spectrum in school, the answer will be the same everywhere. Given that parents' education levels are – on average – the most important driving factor in school achievement, it becomes clear that education of the parents of today's children is vitally important to the quality of tomorrow's workforce. And, as families gain economic stability from parents' increased literacy and work-related skills, there is an immediate pay-off for today's workforce.

In addition, every employer would rather hire workers who can think critically, take responsibility, work well in teams, are free from addictions, etc. These are the key soft skills and personality attributes that every employer wants. These soft skills are also known as "non-cognitive" skills and are directly and highly correlated to parenting practices.

Children who grow up in families with supportive parents who are emotionally available and responsive develop these skills as adults to a much greater extent than children who don't. In fact, adults who lack these skills often lack them precisely because they did not experience effective parenting. Sadly, they have great difficulty in making up for this deprivation later in life as adults and job seekers. However, like the process of acquiring any other job skills, parents can develop parenting techniques to promote these specific non-cognitive skills in their children.

It is clear that the quality of parenting, together with the literacy and intellectual skills of the parent, are key variables in determining the long-term quality of the workforce.

The Dual Generation Approach: Every Parent is an Agent of Workforce Development

The City's workforce development system has a vested interest in the capacities of today's parents. As the single most important influence on the skills development of future workers, the role of parents should be a high priority for the City's workforce development system.

The City's investments in a restructured workforce development system will rightly focus on meeting today's needs. But, a portion of the \$500 million spent each year must focus on the long-term needs of the system. There is growing recognition that with Dual Generation strategies, these two priorities are not mutually exclusive. Approaches that focus on the whole family can be the most cost-effective use of precious public sector dollars due to their high, long-term multiplier effect.

There are many evidence-based parenting interventions that have a proven track record. For example, the Nurse Family Partnership, which has a documented economic return of \$5 for every \$1 invested in the form of improved health and education outcomes and decreased expenditures on public assistance and criminal justice. The Department of Health and Mental Hygiene oversees this program in New York and also administers Family Resource Centers in designated neighborhood that offer 8-week workshops to parents.

There are also adult literacy classes designed for parents that show tremendous promise in building parents' academic and job-related capacity while enhancing their ability to promote their children's healthy cognitive and social emotional development.

Training the Workforce We Need for One City

The Mayor's *Career Pathways* strategy does an outstanding job of prioritizing sectors within which we will build new, more effective systems of workforce development. The City Council has the opportunity to enhance this policy framework by focusing on the bigger picture: the shared long-term goal of reducing inequality and promoting One City for all New York City residents.

Achieving this ambitious goal will require bold action and a new framework that rightfully considers parenting not only a legitimate job, but the most important job and a priority for the City's workforce development system. With paid sick leave, UPK, and other initiatives in criminal justice and immigration policy, the Council and Mayor together have demonstrated vision and leadership in fundamentally shifting perspective and adopting bold new measures well beyond a modest reform of the status quo.

To have similar impact on the structure and outcomes of the City's workforce development system, the Council and Administration can engage the system to:

- 1. Define the job of parents as the "most important job in the City"
- 2. Identify and support effective hard skills training for the job of parenting
- 3. Equip every UPK, Early Learn, and Head Start program with a cost-effective program of training and education for parents to succeed in their job as parents
- 4. Address the limited capacity of the formal training sector by creating TV and social media content to extend the work of formal training and education programs and enable parents to improve their skills on their own outside a formal program
- 5. Recognize parenting of infants birth-to-3 as a full-time job for HRA purposes (e.g., in determining eligibility for TANF and other public benefits)
- 6. Support HRA to train parents for jobs as parent-peer mentors/coaches who will provide "on-the-job" training to other HRA clients who are parents
- 7. Identify and support effective work supports for the job of parenting
- 8. Identify and work to remove key barriers that undermine the quality of parenting (e.g., exposure to the sustained traumas and poverty-related deprivations that cause "toxic stress")



Structural Reforms of the City's Workforce Development System

New York City Council Committees on Community Development, Economic Development, Labor & Civil Service December 11, 2014

Good afternoon, Committee Chairs Garodnick, Arroyo and Miller and other committee members. Thank you for holding this hearing today. I am Marjorie Parker, Deputy Executive Director of JobsFirstNYC, a nonprofit intermediary focused on connecting young adults to the economic life of New York City. I will focus my testimony on what the *Career Pathways* recommendations would mean for them.

Mayor de Blasio assembled a diverse group of business, community and educational leaders and tasked them with an unprecedented mission to expand opportunity for hard-working New Yorkers. The Jobs for New Yorkers Task Force had a head start with structural reforms and strategies proposed by local workforce funders and practitioners in **Re-Envisioning the New York City Workforce System** http://www.reenvisionworknyc.org/. Career Pathways builds their recommendations for a workforce development system that lifts New Yorkers' incomes and career prospects.

As the City moves to implementation, that work must include solid initiatives that change the career trajectory of the more than 300,000 young adults who are not in school and are either not working or are stuck in low wage jobs -35 percent of the City's 18 to 24-year olds.

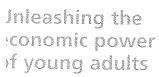
They are in this fix because they lack the skills to compete for jobs that pay a living wage and need ready access to information and help acquiring the skills to qualify for better paying jobs.

Youth Opportunity Centers

Despite a large network of Workforce1 Centers, HRA Job Centers and DOE referral centers, and workforce services at public libraries, there is no single location for a young adult between the ages of 18 and 24 to get all the help they need, in one place, to find a job or connect to the education and training that could help them obtain a better job. As it stands now, a young adult could show up at any of these centers in the City's network and just be referred someplace else without receiving any meaningful assistance.

More than half of unemployed young adults live in 18 neighborhoods, many of which offer no services. Because so many are unlikely to seek assistance outside their communities, we must bring help to them.

JobsFirstNYC has proposed a network of Youth Opportunity Centers to do this.





These Youth Opportunity Centers—operated by known and trusted community based organizations—and/or in conjunction with government, would reconnect young adults to education, help them to develop career plans, and link them to training, internships, apprenticeship programs, and jobs. Similar models exist across the country, such as the Los Angeles YouthSource Centers. New York City would not be engaging in a "pilot" project, these youth reconnect centers have been operating for years and have proven to be highly effective.

Web Portal

The Task Force proposes a wide range of new programs aimed at boosting education levels and expanding skills training. But those services will not deliver the expected results unless people know they exist.

New York City recently announced a series of measures that will widen access to broadband Internet service. We should use that expanded access to help low-income New Yorkers, particularly young adults, access information that can help then to get on paths to self-sustaining careers.

JobsFirstNYC recommends that an Internet portal with comprehensive career-related and educational information could help. A centralized source of Information about job openings, occupational qualifications, training and education programs, and employment services could help young adults start moving toward self-sustaining careers. Young adults, and other New Yorkers, should have the ability to readily access information, without having to visit a multitude of city operated websites and even after doing so, piercing together a picture of what is possible is an enormous challenge.

Let's build on existing online resources and provide a mobile-friendly site that can be accessed by young people everywhere on their phones. This too would not be a "pilot project". It is already being done by cities around the country, even the state of Wisconsin has one called WisconsinWorks.

Industry Partnerships and Middle-Wage Jobs

To increase income mobility, New York City must move more of us, particularly young adults, into middle-wage jobs.

Career Pathways laudably proposes the development of industry partnerships in six of the City's economic sectors. These would become engines for employer-designed training and employment that meets business demand. JobsfirstNYC has been pioneering the development of such partnerships for young adults in the health care, transportation & logistics, and information technology sectors. We know that they can be highly effective in opening up good job opportunities for young adults.



But to make a dent, we must do more. There are more than 30,000 entry-level job openings each year in middle-wage jobs — mostly due to retirements and turnover. But thousands of them are in sectors—like transportation, property maintenance, and social assistance—that the Task Force does not propose to address. For example, about 4,000 openings per year are projected in property maintenance, with the lowest paying positions starting at more than \$20,000 per hour. Jobs like these should not be left "on the table."

Among the mid-wage openings we should seize on, are those in the public sector. With average annual wages of \$59,000, public sector jobs have historically provided a bridge to the middle class for African American and immigrant workers. Moreover, the public sector workforce is aging; only about two percent of workers in New York City agencies are under age 25 and a large share is expected to retire within the next five to ten years. An "industry partnership" could help young adults fill those vacancies.

The recommendations made by the Jobs for New Yorkers Task Force carry potential for real progress toward increasing the incomes of low-income New Yorkers, and represent an important start toward creating a workforce system worthy of the City it serves. As the City begins to implement the Task Force recommendations, we urge the engagement of a constellation of other actors with experience developing industry partnerships, and career pathways training, including organizations who will deliver services on the ground, and customers themselves. Most importantly, JobsFirstNYC urges the city to develop a workforce development system that enables the 35 percent of 18-24 year olds who are out of school, out of work or stuck in low wage jobs to support themselves and their families.

Thank you.

Marjorie Parker Deputy Director 646-738-5677 mparker@jobsfirstnyc.org

Unleashing the Economic Power of the 35 Percent

A Policy Paper Prepared by JobsFirstNYC • July 2014





About JobsFirstNYC and This Report

In 2006, a set of New York City philanthropic institutions recognized that new interventions were necessary to address the needs of young adults cast adrift in a rapidly changing economy. JobsFirstNYC was established to identify and create mechanisms to connect young adults to New York City's economic life and to mobilize community, corporate, private, and public resources to support those mechanisms. Since its founding, JobsFirstNYC has convened diverse partners to re-envision the existing system, increase funding, and advocate for policies and practices that help young adults reach their full economic potential.

In 2012, JobsFirstNYC released a strategic plan aimed at significantly reducing the number of young adults who are out of school and out of work. The plan lays out three broad strategies to increase the long-term employment opportunities of these young adults:

- Engage employers in a structured, systemic way
- · Advance and build on best practices in the young adult workforce development field
- Raise public consciousness about the out-of-school/out-of-work challenge

This report makes concrete recommendations to advance these three strategies.

Unleashing the Economic Power of the 35 Percent is informed by a 2013 report commissioned by JobsFirstNYC entitled Barriers to Entry: The Increasing Challenges Faced by Young Adults in the New York City Labor Market. Authored by James Parrott of the Fiscal Policy Institute and Lazar Treschan of the Community Service Society of New York, Barriers to Entry provides an essential baseline of demographic data on young adults who are out of school and out of work, as well as an analysis of jobs currently held by young adults. It quantifies the impact of seismic shifts in New York's changing economy on the fortunes of New York City's young adults. These two reports represent the first step in a much-needed inquiry into how best to positively shape the employment futures of about one-third of New York City's 18- to 24-year-olds.

Together, Barriers to Entry and Unleashing the Economic Power of the 35 Percent represent a call to action to build a workforce development system that gives every young adult an opportunity to earn a wage and participate in New York City's economy. The recommendations outlined in this report aim to reduce some of the main obstacles that young adults face in obtaining the skills and education necessary for stable employment at self-sufficiency wages.

JobsFirstNYC is uniquely qualified to propose this plan. A key component of JobsFirstNYC's strategy to advance workforce development is to create and support inter-organizational workforce partnerships that mutually benefit employers and young jobseekers. JobsFirstNYC serves as a neutral intermediary, fundraiser, and facilitator, assisting community-based organizations in the design and implementation of these partnerships. Partnerships initiated by JobsFirstNYC include the Young Adult Sectoral Employment Project and the Lower East Side Employment Network (described in this report). Both demonstrate how strategies that rely on inter-organizational partnerships are the most effective in promoting youth employment.

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EXECUTIVE SUMMARY

An estimated 172,000 young adults in New York City are neither working nor enrolled in school. Another 133,000 young adults work in low-wage jobs with limited opportunities for advancement. Together, they comprise 35 percent of the city's 18- to 24-year-old population.

Ill-served by public education and cut off from opportunities to explore their career interests and define their identities as workers, these young New Yorkers—referred to in this report as the "35 Percent"—have reached adulthood facing the grim prospect of life on the economic margins. Without focused attention and support from policymakers and other stakeholders, many of them may never achieve economic self-sufficiency, contribute to their communities, or be able to support themselves and their families.

The challenge for New York City is to help all its young people get on a path to career-track work and financial independence.

To address this challenge, JobsFirstNYC urges city leaders in government, industry, and philanthropy to make young adult employment a priority by embracing a strategy that engages the 35 Percent through programs tailored to their developmental and academic needs and based in the communities where they reside. Such a strategy would enable them to build the skills necessary for securing successively more demanding and better-paying jobs. To ensure that these young adults are prepared for labor market success, businesses, organized labor leaders, and training/education providers must be full partners in designing and implementing programs to support them.

This comprehensive, community-based, and employer-focused young adult employment initiative should contain the following elements:

SECTORAL YOUNG ADULT EMPLOYMENT PARTNERSHIPS

Employers and training providers should form Sectoral Young Adult Employment Partnerships that identify labor market gaps, occupations, and job openings within targeted sectors of the New York City economy that young adults could fill.

SECTOR-BASED TRAINING AND APPRENTICESHIP PROGRAMS THAT SUPPORT YOUNG ADULTS SEEKING CAREER-TRACK WORK, WHILE MEETING EMPLOYER DEMANDS

Industries such as healthcare, property maintenance, construction, and transportation—which require onthe-job training or an industry-recognized certificate or license—offer tens of thousands of job openings in the city each year. Programs that combine training with academic remediation can help young adults with basic skill deficits qualify for middle-wage jobs in these and other industries. New and expanded apprenticeship programs sponsored by industry partnerships can prepare young adult workers for well-paid jobs in the public and private sectors.

A NETWORK OF COMMUNITY-BASED YOUNG ADULT OPPORTUNITY CENTERS AND EMPLOYMENT PARTNERSHIPS

A network of Opportunity Centers in the 18 communities with the greatest numbers of out-of-school and out-of-work (OSOW) young adults would connect these individuals to jobs and to the educational, training, and support services necessary to get on a path toward self-sufficiency wage work and career success. Neighborhood-Based Young Adult Employment Partnerships would streamline hiring and strengthen local businesses by connecting them to job-ready workers. Through close collaboration with the Sectoral and Neighborhood-Based Young Adult Employment Partnerships, Opportunity Centers will gain a deeper understanding of employer needs that enables them to develop career pathways for the young adults they serve.

A ONE-STOP WEB PORTAL PROVIDING CAREER INFORMATION AND ACCESS TO EDUCATION, TRAINING, AND EMPLOYMENT RESOURCES

A comprehensive web portal would provide access to career-related and educational information that many young New Yorkers cannot currently find. It would offer information about job openings, occupations and their required qualifications, training and education programs, and available resources to offset the costs of these programs.

Together, these initiatives would create a seamless employer-centered and community-based system to help provide the human capital required for a robust economy.

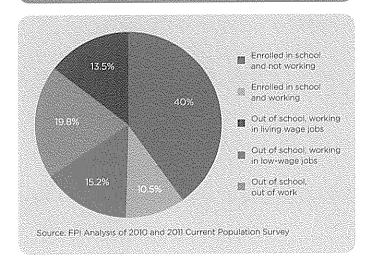
To be sure, this plan is nearly unprecedented in its ambition and scope. Previous efforts to integrate the 35 Percent into the city's economy have failed to sufficiently engage employers and have addressed fewer than 10 percent of the young adults shut out of the labor market. Most City-run programs have tended to focus on short-term job placements rather than long-term progress toward career-track employment. At the same time, changes in the labor market have shrunk the pool of middle-wage jobs available to young adults without a four-year college degree, while increasing the number of lower-paid food service and retail jobs and jobs requiring advanced training. These changes in the New York City economy—and the absence of a coordinated, systemic policy and programmatic response—have contributed to the significant decline in young adults' labor market preparation and participation and in their earnings over the past ten years.

The employer-centered and community-based system proposed by JobsFirstNYC would address some of the biggest obstacles and help reopen the path to self-sufficiency wage jobs—benefitting not only young adults, but every New Yorker.

INTRODUCTION

Approximately 172,000 New York City young adults are neither working nor enrolled in school. Another 133,000 young adults work in low-wage jobs with limited opportunities for advancement and are not enrolled in an educational program that could lead to higher earnings. Together, these individuals comprise 35 percent of the city's 18- to 24-year-old population.²

Young Adult Employment in NYC



Even if the economy continues to gain strength, the challenges facing the 35 Percent will not end. Total New York City employment has surpassed pre-recession levels, with 312,000 jobs added between 2010 and 2013. But the largest share of those new jobs are either within fields that young adults with limited formal education struggle to enter without assistance, such as healthcare and business services, or within fields that typically offer low wages and few opportunities for advancement, such as hospitality.

Today's reality is that nearly two-thirds of working young adults in New York City hold jobs that pay at or near the hourly minimum wage and offer no benefits, mostly in the fast-growing retail and food service occupations.

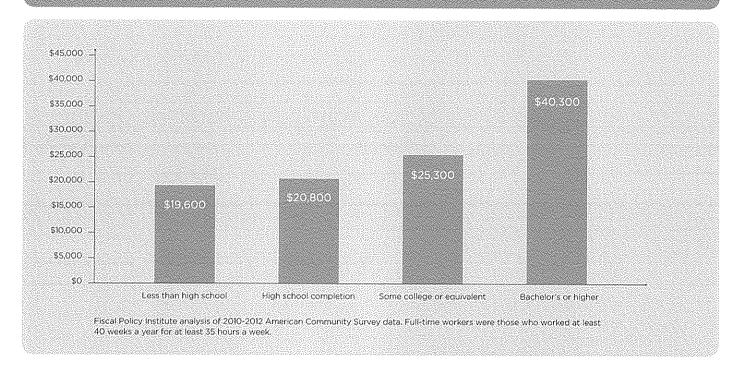
Nearly two-thirds of working young adults in New York City hold jobs that pay at or near the minimum wage of \$8.00 and offer no benefits.

Retail and food service jobs can give 18- and 19-yearolds valuable work experience and help them develop time-management skills and work discipline. But while these may be good first jobs, without a realistic exit strategy they can lead to a lifetime of low-wage work.

An adult living in New York City cannot get by on a low-wage job without assistance. As of 2010, to be able to pay for essentials like food and rent, a single adult living in the Bronx needed to work full-time at a minimum hourly rate of \$12.56 (\$24,492 annually), and a single parent with a toddler needed to earn at least \$23.39 an hour (\$45,611 annually).³

That so many young adults are unable to earn a self-sufficiency wage—which this report defines as an annual wage between \$25,000 and \$65,000—is a problem not just for them but for all of us. Their economic difficulties exact a staggering toll on New York City and State. For example, the 35 Percent are at heightened risk of becoming homeless and of being imprisoned, and they lack health insurance, placing them at greater risk of developing serious health problems. In addition, their lower earnings mean less tax revenue for the City and State. The aggregate cost of lower earnings, lower economic growth, and foregone tax revenues, including increased government spending and social costs, is estimated at nearly \$300 billion over the course of the lifetimes of the 35 Percent.⁴

Median Annual Wage and Salary Earnings, New York City Residents Working Full Time, Ages 21-24, by Education Level



Employers also have a great deal at stake in raising the economic output of the 35 Percent, since under-prepared young workers damage the bottom line through higher turnover and management costs. Smaller businesses

The aggregate cost of lower earnings, lower economic growth, and foregone tax revenues, including increased government spending and social costs, is estimated at nearly \$300 billion over the course of the lifetimes of the 35 Percent.

are particularly disadvantaged in this respect. Without focused attention, New York City businesses will miss out on an entire generation of workers who could help fill the human capital needs vital to future economic growth.5 Increased support for these young adults could create a pipeline to fill vacancies in the more than 1.1 million jobs that pay a middle wage and do not require a college degree but that increasingly require skills, industry certifications, and licenses.

The Challenge Ahead

The challenge is to move New Yorkers aged 18 to 24 who are neither working nor in school, or who work in lowwage occupations, into jobs that allow them to support their families and contribute to their communities and the economic life of the city. Absent major changes in policies and programs, too many of the 35 Percent will never be able to earn a living wage.

There is no silver bullet for such a complicated and entrenched problem. Real progress will require significant changes to governance, culture, and practice. However, with the de Blasio administration's commitment to bringing more low-income families into the economic mainstream, its creation of the new Mayor's Office of Workforce Development informed by the recommendations of the Jobs for New Yorkers Task Force, and the surprising and welcome passage of the federal Workforce Innovation and Opportunity Act, which directs greater attention and resources toward out-of-school, out-of-work young adults, the City has an unprecedented opportunity to change the trajectory of the 35 Percent.

To seize this moment, JobsFirstNYC proposes a comprehensive, ambitious, and well-coordinated new effort, co-led by City government (referred to in this report as "the City") and the business, nonprofit, and philanthropic communities. Two things will be required to help give thousands of young adults a chance to secure steady work at self-sufficiency wages. First, the City must make employing young adults a priority, with a strategy that engages them where they are geographically, developmentally, and academically, and that offers the supports, services, and educational and work experiences necessary to connect to career-track jobs that pay a living wage.

Second, the publicly funded and administered workforce system must commit to a full partnership with New York City businesses. The city has achieved gains in workforce development through an approach that prioritizes employers as customers; the necessary next step is to embrace them as partners. To make this happen, the city must become a champion for youth employment.

This effort would include four primary initiatives:

- I. Sectoral Young Adult Employment Partnerships;
- Sector-Based training and apprenticeship programs that respond to employer needs;
- III. A network of community-based Young Adult
 Opportunity Centers and Young Adult Employment
 Partnerships; and
- IV. A one-stop web portal that provides career information and access to education, training, and employment resources.

As discussed in the four sections below, citywide sectoral and neighborhood-based partnerships would identify the skills necessary to fill positions in promising sectors of the city economy and help young adults connect to these jobs. Sectoral training and apprenticeship programs aligned to employer needs would ensure that these young adults are qualified to perform available jobs. A network of community-based young adult Opportunity Centers would recruit unemployed and under-employed young adults into the system and link them to jobs and the training and education needed to perform them. And a comprehensive web portal would present the information necessary for young adults to understand available opportunities and learn how to take advantage of them.

New York City has never attempted a young adult employment plan this comprehensive or ambitious. Although the previous mayoral administration launched a large number of worthwhile programs targeted at subsets of the young adult population, in aggregate these programs addressed fewer than 10 percent of the young adults shut out of the labor market. Furthermore, they were generally small in scale, short in duration, and too modest in their goals, emphasizing short-term attachment to low-quality jobs rather than steps toward long-term careers. These previous efforts also failed to adequately engage the most important workforce development actor: employers.

As employers demand higher levels of skills and experience, building a path to a living wage job has become substantially more difficult. Therefore, the policy and programmatic response must be proportionately more ambitious and sophisticated. The employer-centered and community-based system proposed by JobsFirstNYC and outlined in this report would put thousands of New York City's young adults on a path to living wage jobs.

I. SECTORAL YOUNG ADULT EMPLOYMENT **PARTNERSHIPS**

Any initiative to move significant numbers of non-working and low-wage-earning young adults into self-sufficiency wage employment will require unprecedented levels of employer engagement in order to succeed. JobsFirstNYC recommends that such engagement be channeled through Sectoral Young Adult Employment Partnerships comprising business leaders, organized labor representatives, and training providers. These partnerships, to be implemented citywide, would track industry trends, review current training and education programs to ensure that they are aligned to employer needs, create and support a range of work experiences up to and including apprenticeships, and serve as an employment clearinghouse to connect suitable candidates to job vacancies.

Sectoral workforce strategies target key industries within a region in which employers have unmet demand that local jobseekers could fill if equipped with the appropriate skills. With competition intensifying locally, nationally, and globally, and employers consistently reporting difficulties finding and retaining appropriately skilled and workready employees, policymakers have found that bringing sectoral employers to the table is an effective way to connect young adults to jobs and careers. Employers also acknowledge a need to synthesize their efforts: in its 2013 NYC Jobs Blueprint, the Partnership for New York City calls for a shift in philanthropic support for education and training efforts away from "fragmented interventions with limited systemic impact."6

Sector-focused workforce programs represent a rising trend in workforce practice,7 and are already creating employment pipelines leading to higher wages in a number of states and cities.8 Developing a deeper understanding of industry sectors helps engage employers and speeds the learning curve of provider organizations that have traditionally focused more on the individuals they serve than on the employers who will hire them.

Aligning Practice And Employer Need: The Young Adult Sectoral **Employment Project**

JobsFirstNYC is piloting the Young Adult Sectoral Employment Project (YASEP), a new initiative that supports employer-driven programs that use a sectoral approach to improve employment outcomes for young adults in New York City who are out of school and out of work. YASEP projects directly engage employers to ensure that their feedback informs and shapes training and employment strategies.

The initiative has established five partnerships serving the healthcare, transportation/logistics, information technology, and food service sectors, as well as a food service/retail/hospitality partnership. Sectors were selected based on labor market projections of substantial employment growth and entry-level job openings and on employers' openness to hiring young adults. Additional factors included the potential for job mobility through on-the-job training of transferable skills, and the proximity of employers to service providers. For example, Cypress Hills Local Development Corporation is supporting young people seeking careers in the transportation industry by training them for Class C and D licenses so that they can obtain paratransit jobs. Cypress Hills is also working with paratransit employers to improve retention rates for drivers.

This is especially important for the 35 Percent, who, unlike their more advantaged counterparts, lack personal. familial, and professional networks. Sector-focused partnerships can help close the gaps in social and human capital that separate the 35 Percent from career-track employment by doing the following:

Identifying employment trends and occupations that young adults can fill

To be effective, initiatives to help young adults secure living wage work must closely align to employer needs. Sectoral Young Adult Employment Partnerships would analyze regional labor market data, supplementing

this information through periodic employer surveys and focus groups, to better calibrate employment demand. Partnerships could also identify barriers to employment and develop strategies that help young adults overcome those barriers.

Reviewing existing workforce development programs and guiding or developing new programs to ensure responsiveness to industry needs

Sectoral Young Adult Employment Partnerships would provide structured opportunities for employers to review training programs—now offered by myriad community colleges, career and technical education programs, community-based organizations, and proprietary schools—to ensure that they are aligned to industry needs and that training capacity is sufficient to meet labor market demand. Employers would benchmark required skills for entry-level positions and evaluate how effectively existing programs teach those skills.

By working within a partnership, training providers would gain an in-depth understanding of industry expectations and could tailor their training, recruitment, screening, and referral systems accordingly, allowing better matches to be made between jobseekers and employers. Partnerships would also enable specific training needs to be coordinated among companies within an industry to achieve economies of scale.

Providing paid internships, apprenticeships, job shadowing, and mentorship programs

In addition to validating the content, quality, and capacity of training programs, Sectoral Young Adult Employment Partnerships would offer internships, apprenticeships, job shadowing, and mentors. For young adults who are not yet ready to begin a career, "shadowing" an employee or having a mentor helps build work preparation. Internships and apprenticeships provide on-the-job experience that helps young adults acculturate to the world of work and begin building a network of professional contacts—and they greatly raise the comfort level of employers who come to see their interns and

apprentices as individuals with skills and values who add to the organization.

An Employment Clearinghouse Model

The Good Help program of the Brooklyn Chamber of Commerce has helped Brooklyn-based small businesses hire more than 3,000 employees over the past 15 years. Good Help posts job orders to a website accessible to job developers and then screens and refers top candidates to employers.

For employers, the program is a cost-effective way to find work-ready candidates with the desired skill sets. And for community-based employment and training providers, Good Help is a resource for finding jobs that are not widely advertised and for obtaining information about the hiring needs and workplace expectations of businesses. Although it does not focus on young adults, the Good Help model offers lessons for policymakers and providers as a high-quality demand-driven program that benefits jobseekers by serving employers well.

Expanding peer-to-peer business recruitment and serving as an employment clearinghouse

Sectoral Young Adult Employment Partnerships would facilitate hiring by aggregating job orders from businesses in a given sector and screening candidates referred by Opportunity Centers (discussed in section III) and training providers, playing a role similar to that of the Good Help initiative of the Brooklyn Chamber of Commerce. With their understanding of industry needs, these partnerships would help job developers at community-based organizations make better matches, thereby increasing employment among qualified applicants while reducing hiring costs. They would also leverage the expertise of the Workforce1 Career Centers run by the NYC Department of Small Business Services, which have helped connect more than 100,000 New Yorkers to jobs over the past five years but are not designed to address the needs of young adults with limited educational attainment, skills, or work experience.

Sectoral Young Adult Employment Partnerships would target sectors such as healthcare, transportation, and construction—areas in which substantial job growth or significant numbers of middle-wage entry-level job openings are projected.¹⁰

SECTOR-BASED TRAINING AND APPRENTICESHIP PROGRAMS THAT RESPOND TO EMPLOYER NEEDS

In New York City, there are more than 1.1 million jobs in occupations that pay a living wage and do not require a college degree.11 With appropriate education and training, young adults can obtain jobs in many of these middleskill occupations and get on track toward career success. For young adults to capitalize on these opportunities, however, they must have greater access to training that leads to industry-recognized certificates and licenses and to internship opportunities that prepare them for wellpaid jobs in the public and private sectors.

Expanded Opportunities for Training Leading to Industry-Recognized Certificates and Licenses

Many middle-skill occupations require industry-recognized certificates issued in accordance with government regulations or national accreditation standards. 12 Individuals wishing to attain such credentials can seek training in a wide array of venues, including career and technical education high schools, community colleges, and nonprofit and for-profit vocational, technical, and trade schools. Candidates can earn several certifications in six months or less—an important consideration for young adults who are OSOW or who are working in low-wage jobs. Certificate holders have high rates of job placement and have slightly higher median earnings than peers who attended college but did not graduate.13

Nevertheless, too many young adults are unaware of the career pathways and advancement opportunities available with industry-recognized certificates. This information deficit would be addressed by career counseling through Opportunity Centers (described in section III) and by the one-stop web portal (described in section IV).

Another big deterrent is cost. Many certificate training programs for occupations with high demand that

Where the Middle-Skill Jobs Are

Middle-skill, living wage occupations include emergency medical technicians, cable installers, medical assistants, computer support specialists, and building maintenance workers. According to the U.S. Bureau of Labor Statistics, 39 percent of the openings in these occupations over the next four years will require only a high school diploma and a post-secondary credential.

Although the share of the New York City workforce employed in such occupations has declined, growth is projected for many individual occupations. Among these are dental hygienists, at a median salary of \$65,160, and carpenters, with median earnings of \$48,150. The New York Building Congress estimates that the construction sector will add nearly 11,000 jobs between 2012 and 2015. Further, labor shortages are projected in healthcare, property maintenance, and transportation. driven largely by the significant number of workers in those sectors approaching retirement.

pay self-sufficiency wages—such as auto body repair, automotive mechanics, heating/air conditioning/ refrigeration mechanics and installation, and welding technology—are primarily available through private proprietary schools that charge expensive tuition. 14 The most popular offering at Apex Technical School, for example, is a 900-hour automotive mechanics technician course that costs more than \$17,000. Although 96 percent of enrollees receive financial aid, students take on an average of \$7,000 in loans.15

The City and its partners in the private and philanthropic sectors must act to expand the availability of affordable industry-aligned training programs for occupations that are expected to have significant numbers of job openings and that pay a living wage. Vocational training that is currently unavailable or unaffordable should be developed and offered, either through CUNY adult and continuing education departments or through public vocational training centers modeled on Tennessee's Technology

Centers (see box), which provide 50 different certification programs to a largely low-income population.

Tennessee Technology Centers: Free for Most Students

Tennessee's 27 Technology Centers offer 50 different certificate programs in occupations in healthcare, construction, manufacturing, and information technology, among other sectors, to a student body made up almost entirely of low-income state residents.

Pell Grants and scholarships defray the annual \$2,400 cost—indeed, most students pay nothing. Individualized instruction that enables students to learn at their own pace has led to high retention: more than 70 percent of participants complete their field of study. In addition, the centers have high graduation and placement rates: 95 percent of students pass certificate exams on the first try, and more than 82 percent of graduates are placed in jobs that they trained for.

Utilizing existing New York City Department of Education (DOE) Career and Technical Education (CTE) facilities to serve young adults outside of school hours may be another low-cost way to expand the availability of affordable sectoral training. The DOE currently offers high school and adult training programs in many sectors with labor market demand, including programs in computer repair, automotive mechanics, and licensed practical nursing, which are not available at CUNY. Utilizing CTE high school facilities, as well as licensed instructors and supervisors, could expand access to training at a limited cost.

Instruction That Integrates Basic Skills with Occupational Training

Young adults with a firm foundation in basic skills can usually attain necessary employer-recognized credentials—such as certificates or licenses—in a relatively short period. Many of the 35 Percent, however, lack the math and language skills required to succeed in the vocational or academic programs that lead to these credentials. These programs typically require a high school or high school equivalency (HSE)¹⁷ diploma, which many of the 35 Percent lack.¹⁸ For young adults who left school before graduating and are deficient in literacy and math skills.

achieving an HSE diploma can take years of instruction and a great deal of patience and perseverance. Most never make it to the finish line: as few as one-fifth of the young adults most in need of remedial education complete the full sequence of required classes, ¹⁹ and fewer than half of those who take an HSE exam are successful. ²⁰ Each year, as young adults who leave high school without graduating outnumber those who earn diplomas, the pool of young adults who are not careerready grows.

Furthermore, even many high school graduates are deficient in the skills that correlate with post-secondary success. Fewer than 12 percent of New York City black and Latino graduates are "college and career ready," according to the New York State Education Department.²¹ In the Bronx communities of Morrisania and Mott Haven, only 2.1 percent of June 2013 high school graduates were college- and career-ready.²²

Rather than requiring young adults to undergo lengthy remediation before they can receive sectoral training, New York City can put these young adults on a more direct road to a living wage job by offering them contextualized instruction that integrates basic education with industry and occupational training. Contextualized instruction combines career-track training with literacy and math instruction aligned to workplace demands and real-world situations. Teaching academic applications in a career context has been shown to be effective at engaging and motivating students who are deficient in basic skills, ²³ and would make young adults employable years earlier than might otherwise be the case.

In the Bronx communities of Morrisania and Mott Haven, only **2.1 percent** of June 2013 high school graduates were college- and career-ready.

National Models of Contextual Skills Training

Washington State's Integrated Basic Education and Skills Training (I-BEST) and Minnesota's FastTRAC (Training, Resources and Credentialing) program demonstrate that students can boost their literacy and work skills while they work toward industry-recognized credentials and college credit qualifying them for self-sufficiency wage jobs.

I-BEST places two instructors in the classroom—one to teach professional and technical content and the other to teach basic skills in English and math using realworld scenarios. I-BEST offers more than 130 programs in healthcare, child care and education, manufacturing, aviation, and auto mechanics, among others, and has inspired a similarly structured initiative at LaGuardia Community College on careers in healthcare.

Minnesota's FastTRAC similarly integrates basic skills education and career training to prepare students for careers in high-demand fields such as welding, pharmacology, child development, and manufacturing.

Apprenticeship Programs in Unionized Occupations

In the Public Sector

New York's public sector has an enormous pool of potential living wage jobs for young adults. There are more than 533,000 local, state, and federal government jobs in New York City, of which more than 300,000 are competitive civil service positions.²⁴ Nineteen percent of the individuals working in civil service positions have only a high school or HSE diploma, and 5.6 percent have neither credential. Government workers with only a high school credential in positions such as janitors, security guards, bus drivers, bus and truck mechanics, electricians, and carpenters earn an average annual wage of \$44,795— 13 percent more than private sector workers with the same educational level in comparable positions.25

The public sector workforce is heavily tilted toward older workers: more than 110,000 employees will be eligible to retire in the next five years. Nearly a quarter of the city's full-time municipal workers are over age 55, and only about 2 percent are under age 25. Among skilled trades

workers (such as carpenters, mechanics, and electricians), 36 percent are eligible to retire now.26 These vacancies. along with those in state and federal agencies, could offer opportunities for thousands of young adults to earn good wages with benefits. African Americans in particular have historically fared much better working in the public sector than in the private sector in terms of hiring, earnings, and promotion rates.27

City agencies and public employee unions should collaborate to establish a public sector apprenticeship program that promotes opportunities in government for the next generation of public sector workers. The partners could define and implement work-experience programs offering a variety of potential careers and work settings to help young people determine their interests and best fit. The program could also assist those seeking to take the civil service exam. Information about civil service testing, iob qualifications, and hiring should be available on the one-stop web portal (discussed in section IV) to bring greater transparency to a process that is often a mystery to young adults.

> Government workers with only a high school credential in positions such as janitors, security guards, bus drivers, bus and truck mechanics. electricians, and carpenters earn an **average annual** wage of \$44,795— 13 percent more than private sector workers with the same educational level in comparable positions.

An Apprenticeship Model That Works: The Malloy Initiative for Construction Skills

The Edward J. Malloy initiative for Construction Skills partners New York City Department of Education CTE high schools, construction union apprenticeship programs, construction contractors, local government agencies, and the nonprofit workforce development community. A recent study found that three-quarters of participants completed the program and that more than 82 percent of them were placed into construction union apprenticeship programs leading to jobs with an average salary of \$67,110. The per-student investment of \$7,500 was found to result in an estimated lifetime earnings increase of \$1.6 million per participant.

In the Private Sector

In the private sector, labor union members out-earn their non-union counterparts. While job growth will create openings in certain sectors, the bulk of vacancies will open as a result of retirements.²⁸

Vacancies are most likely to occur in senior positions, ²⁹ which could create a chain of openings as workers move into the vacated positions, ultimately resulting in a substantial number of well-paid entry-level jobs that could be filled by young adults with a high school credential. Union-affiliated apprenticeship and pre-apprenticeship programs, such as the Edward J. Malloy Initiative for Construction Skills, could facilitate the entry of young adults into these jobs.³⁰

III. A NETWORK OF YOUNG ADULT OPPORTUNITY CENTERS AND NEIGHBORHOOD-BASED EMPLOYMENT PARTNERSHIPS

Approximately one-third of the young adults who live in predominantly low-income communities like Mott Haven and Ocean Hill-Brownsville are out of school and out of work. Many more hold low-wage jobs that offer little or no opportunity for advancement to living wage employment.31

The young adults in the city's 18 neighborhoods with the highest numbers of OSOW youth (see table on p. 16) face major obstacles to securing work that pays a self-sufficiency wage. Fewer than half have a high school diploma, and fewer than ten percent of graduates are "college and career ready." 32 To make matters worse, many are among the more than 100,000 New York City young adults who have criminal records for possession of small amounts of marijuana uncovered in stop-and-frisk operations.33

They need help taking the next steps toward a better life: understanding the labor market and the fields that are hiring; finding out about certificates, licenses, and

Los Angeles YouthSource Centers

Until 2012, the Los Angeles workforce development system prioritized placing young adults in low-wage jobs with little advancement potential—as New York City largely still does. Since then, however, LA has launched a system of 16 YouthSource Centers, radically changing its focus to long-term outcomes for young adults.

Located in areas with high dropout rates, YouthSource Centers re-engage 14- to 24-year-olds who are neither working nor in school. Participants receive guidance from trained and experienced staff in areas such as counseling and mentoring, work readiness, career exploration, occupational skills training, tutoring, college preparation, and computer training. Each YouthSource Center has an on-site pupil services advisor to help guide students back to appropriate school settings. Participants are asked to commit to the program for at least one year.

education credentials that may be required to qualify for the jobs they want; and landing and holding a job while preparing for a career.

To get them the help they need, New York City should establish a network of Opportunity Centers in the 18 communities that are home to more than half of the city's OSOW young adults.34 Modeled on YouthSource Centers in Los Angeles and the SOURCE in Grand Rapids, Michigan, Opportunity Centers would provide comprehensive and sustained services that can help young adults advance in jobs and build careers. Centers would continue to provide services after placement, providing a valuable resource to employers and young adults alike.

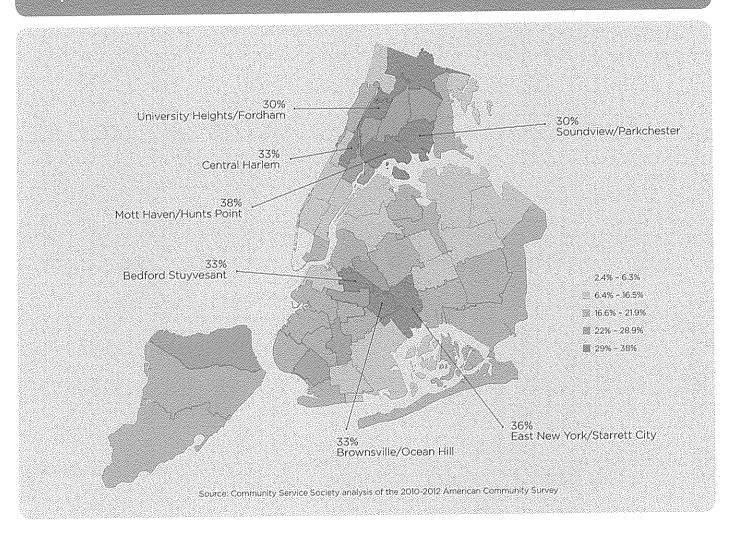
The Opportunity Center Network

New York City could contract the management of Opportunity Centers to community-based organizations with records of success in engaging young adults, in much the same way that Workforce1 Career Centers are run by providers with proven strength in connecting adults to employment. Another model could be to have a coalition of neighborhood agencies run Opportunity Centers together, drawing on their combined assets and employer connections.

Opportunity Centers would offer an array of services tailored to individual needs that many participating employers may not have the capacity to provide, including the following:

- Screening and assessment of academic proficiency and work skills
- Placement in jobs, internships, and other work experiences, including those developed through the sectoral and neighborhood employment partnerships

Map of NYC Community Districts by OSOW Rate



- Assistance in setting and achieving educational goals
- · Career counseling and work coaching
- Building physical and mental health
- Computer and financial literacy
- Referrals for housing, healthcare, and child care services

Opportunity Centers would operate according to a uniform set of guidelines under which all staff would be trained. According to Robert Sainz, assistant general manager of the Los Angeles Economic and Workforce Development Department, uniformity of implementation

has been essential to the success of that city's 16 YouthSource Centers.

Opportunity Center staff would begin by assessing participants' academic proficiency; this assessment would include a review of their academic records by DOE staff reassigned to Opportunity Centers from DOE Referral Centers for High School Alternatives.³⁵ With this assessment in hand, advisors would then help participants develop an educational plan that ultimately leads to a living wage job. Participants deemed ready for employment would receive placement services and ongoing career advisement, and would be expected to continue pursuing education or training while they work.

Employment Services

The essential priority of most OSOW young adults is employment. Therefore, helping them find a job would be the initial objective of Opportunity Centers. Participants would be placed in jobs and internships appropriate to their age, academic attainment, maturity, and interests. Those young adults not ready for immediate employment would receive coaching and participate in work-readiness activities.

Opportunity Center staff would help applicants apply and prepare for available openings aggregated by sectoral and neighborhood partnerships and Workforce1 Career Centers, as well as for opportunities offered by independently identified local employers.

Staff would gain a comprehensive understanding of the demands of these job opportunities, including tasks to be performed and the personal characteristics sought by employers, and would then match the individuals best suited to those demands. The detailed job description provided by the Opportunity Center would preview the demands of the job, minimizing surprises once an individual begins working and thus supporting job retention.

Educational Services

Nearly three-quarters of OSOW young adults have a high school diploma or less. For those who have not graduated from high school, Opportunity Center advisors would help with re-enrollment in an appropriate educational setting. Advisors would help those individuals who have completed high school evaluate options for additional education and training, choose a course of study, and manage the application process.

While Opportunity Centers would be open to the entire 35 Percent, their priority would be to serve young people in the 18 communities who have neither a high school nor an HSE diploma. Centers would conduct outreach to these young adults by offering information about the services available.36 Staff members would also coordinate program offerings and communication efforts with educational institutions and community-based organizations providing related programs.

The SOURCE in Grand Rapids, Michigan

West Michigan business owners created The SOURCE. a nonprofit collaborative initiative that leverages community resources and government agencies to support job retention by meeting the personal, employment, and training needs of their employees. The SOURCE coordinates or provides soft and hard skills training and a range of services to support the more than 7,000 employees working for 21 businesses in the manufacturing, healthcare, service, and education sectors. Participating employers and Temporary Assistance for Needy Families funds cover the bulk of costs for these services, with philanthropic funds paying for the rest.

The SOURCE addresses a largely adult population, but its services could be easily adapted to serve businesses hiring young adults.

Ongoing Case Management and Services for **Employers**

Opportunity Center staff would serve employers by acting as intermediaries, worker coaches, and training facilitators, with the aim of increasing employee productivity and retention while reducing turnover.37 The culture and expectations of the workplace can be mysterious and confusing for young adults without prior work experience; thus, helping them acculturate to the workplace and remain on the job may be among the most important services provided by the Opportunity Centers. Participants would receive comprehensive case management that would accompany them as they progress through a continuum of educational. training, and work experiences into permanent jobs. Coaches would continue to support participants after they begin working and, when necessary, would act as intermediaries between them and their employers. Coaches would assist participants with any personal or work-related problems that might interfere with job performance—such as communication issues, major life events, legal issues, and health concerns—and help ensure that those challenges do not derail a successful transition to the workforce

Situating Opportunity Centers in High-Need Communities

Opportunity Centers would occupy visible and accessible locations in the 18 communities with the highest number of OSOW young adults (see table), which account for over half of the city's OSOW young adults. The strategic location of the centers will make them easily accessible by the young adults they serve and will protect them from having to venture into neighborhoods where they might not be safe. Effective siting also will help centers build

close relationships with neighborhood institutions—such as healthcare facilities, day care centers, and businesses that could serve as sources for job shadowing, internships, and employment.

Building on existing resources would help minimize the brick-and-mortar costs, preserving resources for programming. YMCAs, settlement houses, public library branches, and other training providers that already provide young adults with adult literacy, computer literacy, HSE preparation, and resume-writing and job-interviewing

18 NYC Communities with the Highest Number of Out-of-School, Out-of-Work 18- to 24-Year-Olds

Neighborhood	% osow	Number of OSOW	% of city's OSOW
Mott Haven/Hunts Point (BX)	38%	8,387	4.7%
East New York/Starrett City (BK)	36%	6,927	3.9%
Morrisania/East Tremont (BX)	28%	6,701	3.7%
Soundview/Parkchester (BX)	30%	5.988	3.3%
Bushwick (BK)	26%	5,218	2.9%
University Heights/Fordham (BX)	30%	5,019	2.8%
Bedford Stuyvesant (BK)	33%	4,982	2.8%
Washington Heights/Inwood (M)	19%	4,789	2.7%
Central Harlem (M)	33%	4,753	2.6%
Jamaica (Q)	20%	4,600	2,6%
Brownsville/Ocean Hill (BK)	33%	4,576	2.5%
Williamsbridge/Baychester (BX)	29%	4,572	2.5%
Flatbush (BK)	27%	4,551	2.5%
North Shore (SI)	23%	4,483	2.5%
Highbridge/South Concourse (BX)	28%	4,411	2.5%
East Harlem (M)	27%	4,250	2.4%
Bellerose/Rosedale (Q)	19%	4,052	2,4%
Kingsbridge Heights/Mosholu (BX)	28%	3,987	2.2%
Top 18 neighborhoods	28%	92,246	51.4%
Remaining New York City neighborhoods	16.5%	87,229	48.6%
NYC total	21%	179,475	100%

Key:

BK - Brooklyn BX - Bronx

M - Manhattan Q - Queens

SI - Staten Island

Source: Community Service Society analysis of the 2010-2012 U.S. Census Bureau American Community Survey data

services could serve as sites for Opportunity Centers. Libraries might make particular sense, as many branches already offer some of the services that Opportunity Centers would provide or to which they would refer young adults. New York State-designated Literacy Zones also might merit strong consideration as Opportunity Center sites.

Neighborhood-Based Young Adult **Employment Partnerships**

Neighborhood-Based Young Adult Employment Partnerships would unite business groups (such as business improvement districts, private developers, merchants'

associations, and local development corporations) with community-based organizations to create vehicles that connect jobseekers with local businesses. These consortia would streamline hiring and reduce operating costs for employers, while maximizing local employment opportunities for youth in their communities.

The promising outcomes of the Lower East Side Employment Network, a partnership of six veteran workforce development agencies supported by JobsFirstNYC, demonstrate the effectiveness of a collaborative and employer-centered approach to workforce development.

An Effective Neighborhood-Based Partnership: The Lower East Side **Employment Network**

The Lower East Side Employment Network (LESEN) is a partnership of six veteran workforce development providers— Chinatown Manpower Project, Chinese-American Planning Council, The Door and University Settlement, Good Old Lower East Side, Grand Street Settlement, and Henry Street Settlement—formed in 2007 to improve connections between work-ready young adults and quality jobs in high-demand sectors. With support from JobsFirstNYC beginning in 2012, LESEN has developed a more formal collaborative structure that has increased the number of partnering local businesses and the earnings of young adults hired by these businesses.

LESEN has embraced a two-way approach to business development. Partner organizations recruit a diverse pool of jobseekers for employment opportunities in high-demand sectors of the Lower East Side. Each partner coaches jobseekers on how to pursue, secure, and retain employment and manages its own individual employer accounts. Rather than competing against one another, however, the partners maximize access and success by sharing new and existing employer contacts as well as individual and organizational best practices.

LESEN is structured to promote quality referrals to employers. A network coordinator funded in part by JobsFirstNYC manages employer job orders and coordinates responses from the partners and other community stakeholders. A LESEN partner and the coordinator then pre-screen all candidates, referring a limited number of the best candidates to a hiring employer. As a result, LESEN has an unusually low three-to-one interview-to-hire ratio. Employer feedback at the end of each hiring process encourages continuous improvement and strategies for employee retention.

IV. A ONE-STOP WEB PORTAL THAT HELPS YOUNG ADULTS MAKE CAREER-RELATED DECISIONS

An 18-year-old living in Far Rockaway who is good at art and is an enthusiastic computer gamer might wish to design computer games but have no idea what qualifications are required, where she could obtain them, or what it might be like to actually work as a programmer or game designer—and she might have no one to ask. A 19-year-old in Morrisania who dropped out of high school at age 17 might not know where to explore his educational options. A 20-year-old high school graduate in East Harlem who works in fast food and wants a betterpaying job might need help with resume preparation and interviewing skills.

The fractured and siloed nature of education, training, and employment programs in New York City adds to the difficulty faced by young people like these when trying to learn about and connect the dots between occupations, requirements, training, and education. Although New York City operates 17 Workforce1 Career Centers, as well as Job Centers and high school referral centers, there is no single source of information about the resources available to help young adults find jobs or explore careers. Piecing together a picture of what is possible is an enormous challenge.³⁸

Young adults often struggle to obtain information about employment and career opportunities, the skills and qualifications required, and the programs that can help them reach their goals. For example, the potential game designer might have difficulty finding out that she could qualify with a bachelor's degree in computer animation and interactive media from the Fashion Institute of Technology, that tuition is \$4,425 per year and financial aid is available, and that she could earn at least \$45,000 per year after graduation. And the 20-year-old in East Harlem might never find out that he can get help drafting a resume, preparing for a job interview, and learning about workplace expectations in his very own

There is no single source of information about the resources available to help young adults find jobs or explore careers. Piecing together a picture of what is possible is an enormous challenge.

neighborhood from STRIVE, an organization specializing in employment and training services for young adults.

A web portal providing comprehensive information on careers and occupations, as well as on the training, educational, and community-based services available to help them qualify for and secure these jobs, would provide enormous value for young adults looking to take their next step—or even trying to figure out what that step should be. New York City government agencies and the philanthropic, nonprofit, and technology sectors should work together to establish and maintain a career portal where young adults can get the answers they need. The portal would coordinate and build upon existing online resources.

This website, which would also be an asset to guidance counselors at schools and career counselors at community-based organizations, would be user-friendly and comprehensible for individuals from a range of academic backgrounds. For example, its various pages—particularly those pertaining to adult basic education—would be intuitive for those with low literacy levels.

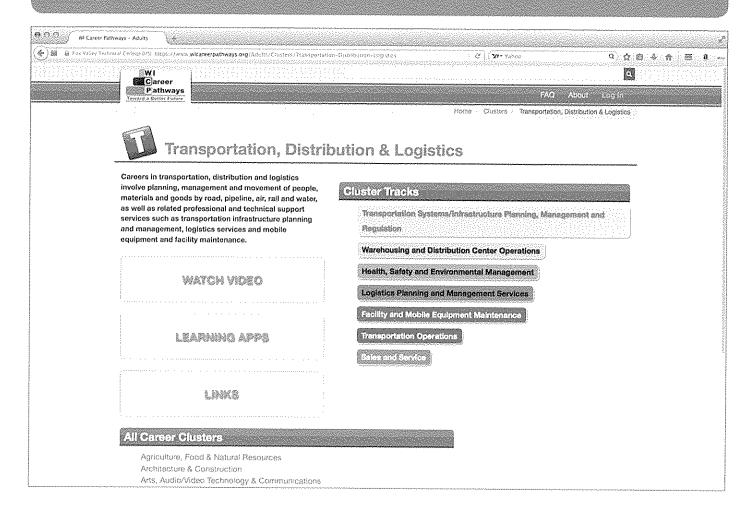
Furthermore, the website would be mobile-friendly (given that many young adults do not have access to computers but do have smart phones) and would have an active presence on YouTube and other social media. And to enable the website's accessibility to those without their own computers or smart phones, staff at public libraries and community computer centers would be trained in how to use the site so that they could assist visitors in navigating it. Finally, the website would include a live-chat function in which counselors would be available to answer basic questions and help young adults access the site's information.

Specifically, the career portal would provide the following services.

Career and Job Information

The portal would provide clear descriptions of sectors and occupations, including basic labor market information (such as numbers of openings and prospects for employment growth); educational, licensing, and certification requirements; and wages. One possible model could be Wisconsin's user-friendly Career Pathways website, which describes hundreds of occupations within 16 major economic sectors. Wisconsin's website informs visitors about job responsibilities, wages, necessary qualifications, courses of study and related costs, financial aid opportunities, training resources, and the linkages between industry-recognized credentials and the occupations for which they qualify candidates.39

Sample Page from Wisconsin Career Pathways Website



Recognizing that low-income individuals are often unaware of career advancement opportunities and lack the resources to commit to full-time study leading to a college degree, New York City's career portal would also present coordinated sequences of education and training for sectors that offer the best chances for career advancement.⁴⁰ Finally, the portal would clearly describe and link to other websites that list current job openings, summer youth employment opportunities, and apprenticeships such as those offered by New York City's construction unions.

Educational and Training Resources

The portal would include links to apprenticeships and educational and training resources that help young adults obtain the necessary credentials and experience for employment. These resources include community-based organizations, the DOE Office of Adult and Continuing Education, colleges, and proprietary schools. For example, the page describing certified nursing assistant jobs would include an icon that links to training resources. Users also would be encouraged to submit information about the outcomes of their education and training experiences, and to provide general feedback regarding the site.

Information on Services

New York City has a network of several hundred community-based organizations that provide a wide range of services related to employment, training, and education, including work-readiness preparation, career advisement, basic education and high school equivalency instruction, and skills training for well-paying positions. But many OSOW individuals may be unaware of these local services unless they happen to stumble on them.

The portal would include a comprehensive geo-mapping tool showing the availability and location of educational, training, employment, and support services, including those offered by community-based organizations, Opportunity Centers, and Workforce1 Centers. Its functionality would allow visitors to input their addresses and find the services nearest to them.

CONCLUSION

Roughly 305,000 New Yorkers aged 18 to 24-a population as large as that of Pittsburgh—are out of school and either not working or employed in low-wage jobs with limited opportunities for advancement. Given the increasing bifurcation of the city's economy and these individuals' lack of skills, they are currently unable to compete for jobs that pay a living wage. The economic and human costs of their unemployment and underemployment are enormous: in addition to experiencing low earnings and an increased risk of joblessness, these individuals—and, in turn, their children—are more likely to suffer from poor health, to be imprisoned, and to rely on the social safety net.

Equally compelling are the consequences borne by New York City when such a large a share of its workforce cannot meet labor market demands. Talent and skill drive the economies of global cities like New York. While talent continues to flow into New York City, competitors like Washington, DC, and San Francisco are increasingly attracting educated young migrants. If New York City hopes to maintain its global standing, it must do much more to build its homegrown talent base.

This report outlines an ambitious effort to do just that. It calls for unprecedented levels of commitment from and collaboration among the business community, organized labor, government, philanthropy, and community-based organizations. Employers must play a pivotal role in this plan—identifying opportunities to hire young adults and ensuring that training programs meet their needs. The government and philanthropic communities must ensure access to programs and services that enable young adults to qualify for living wage jobs in New York City's labor market.

The effort can start by identifying openings in middleskill jobs that the 35 Percent can perform with training and education short of a four-year college degree. The New York State Department of Labor projects tens of

thousands of job openings annually and substantial growth through the end of this decade among the city's more than 1.1 million middle-skill jobs. New York City's 35 Percent are a pool of potential talent that can fill many of these positions—and use them as stepping stones toward careers as they pursue additional education and skills.

The initiatives outlined in this report offer potentially vast benefits. A stronger local workforce would yield higher profits and reduced turnover for businesses. New York City can leverage higher educational attainment to attract businesses and increase employee retention, and would achieve enormous savings through higher tax revenue and lower government expenditures. And hundreds of thousands of young adult New Yorkers would connect to employment and embark on a path to better lives.

ACKNOWLEDGEMENTS

This report was researched and authored by Margaret Stix of Lookout Hill Public Policy Associates.

Many people contributed their time and expertise as the report was being developed. They include Lex Curry, Evelyn Fernandez-Ketcham, Bret Halverson, Gregory Hambric, Lowell Herschberger, Geoffrey Knox, Sheila Maguire, Paul Ortega, Randy Osmun, Maritza Pritsos, Robert Sainz, and Glenn von Nostitz. Keri Faulhaber and Marjorie Parker at JobsFirstNYC provided ongoing guidance and support.

Special thanks are due to James Parrott of the Fiscal Policy Institute and Lazar Treschan of the Community Service Society for providing updates on data and research initially conducted for *Barriers to Entry*, which informed this report.

The report was edited by JobsFirstNYC senior policy advisor David Fischer and Morgan Stoffregen and was designed by Tracey Maurer.

JobsFirstNYC thanks the following funders for their generous support: Altman Foundation, The Achelis and Bodman Foundations, Booth Ferris Foundation, The Clark Foundation, Ira W. DeCamp Foundation, The New York Community Trust, and Viacom International, Inc. Support by these funders does not imply or express endorsement of the contents of this report.

ENDNOTES

- 2010 U.S. Census, cited in James Parrott and Lazar Treschan, Barriers to Entry: The Increasing Challenges Faced by Young Adults in the New York City Labor Market (JobsFirstNYC, May 2013). Other than data concerning the 18 NYC communities with the highest number of OSOW young adults reproduced in the table on p. 16. all cited data originates with the 2010 U.S. Census and the 2009 and 2010 U.S. Census Bureau American Community Surveys.
- In total, 354,600 young adults between the ages of 18 and 24 are working, and 224,237 (63 percent) are employed in low-wage economic sectors, including 91,300 who are enrolled in an educational setting. Approximately 132,400 young adults who are not enrolled in an educational setting are working in low-paying retail, healthcare, or service jobs. Id. The addition of these low-wage workers to the number of OSOW young adults yields a total of 305,237-or 35 percent of the total young adult population of 870,700, Id.
- See the Center for Women's Welfare, "2010 Self-Sufficiency Calculator" (2010). The calculator was based on the following basket of expenses and tax credits: \$1,142 for housing; \$736 for child care; \$790 for food; \$178 for transportation; \$493 for healthcare; \$334 for miscellaneous expenses (e.g., clothing, entertainment, laundry, home furnishings, and personal hygiene); \$815 for taxes: \$0 for EITC; -\$50 for the Child Care Tax Credit; -\$83 for the Child Tax Credit; and -\$67 for the Making Work Pay Tax Credit. The 2010 calculator is the most recent available for NYC and does not reflect transit fare increases in the Consumer Price Index.
- The annual New York State and City "taxpayer burden" associated with New York City OSOW young adults is estimated at \$3 billion (based on \$17,320 per young adult), and the annual social costs are estimated at \$6.5 million (based on \$37,720 per young adult). The annual taxpayer cost associated with out-of-school young adults employed in low-wage jobs is estimated at \$1.4 billion (based on \$10,890 per young adult). The lifetime taxpayer burden per OSOW young adult is \$284,520 in fiscal consequences and \$790,760 in social consequences, for a total lifetime effect of \$1,075,280. The lifetime taxpayer burden for each young adult earning low wages is \$201,530. These totals are extrapolated from data for Washington, DC, which is deemed to have wages and market conditions comparable to those of New York City. Clive R. Belfield and Henry M. Levin. The Economics of Investing in Opportunity Youth (Civic Enterprises, Sept. 2012)

Fiscal consequences to local government arise from several factors: (i) lower earnings and labor force productivity, which translates into lower tax revenues: (ii) higher crime incidence (QSOW young adults commit crimes at four times the rate of other young adults; with recidivism, early crime often leads to adult crime); (iii) health costs (OSOW young adults are six times more likely to draw on Medicaid compared to other young adults and have poorer health during their adult lives): and (iv) safety net programs. Id.

- Although New York City is first in the number of educated workers who migrate there, it is fourth among large metro areas in the share of its workforce that is highly educated, after Washington, DC. Boston, and San Francisco/San Jose. Maria Doulis, Competitiveness Scorecard: Assessing NYC Metro's Attractiveness as a Home for Human Capital (Citizens Budget Commission, Feb. 2013). This disparity results from the relatively lower rate of educational attainment among native New Yorkers compared to residents of the other three metro areas.
- Partnership for New York City, NYC Jobs Blueprint (Apr. 2013).
- Organizations like Per Scholas, Brooklyn Workforce Innovations, Nontraditional Employment for Women, and Cooperative Home Care Associates have long demonstrated the effectiveness of sector-specific training and placement efforts aimed at high-demand occupations in the information technology, transportation, construction, and healthcare industries. But until recently, no industry partnership in New York City has focused specifically on fostering employment among young adults. On May 29, 2014, Governor Cuomo announced the first such effort: a partnership in Montefiore Medical Center that will team with Hostos Community College and Phipps Neighborhoods to train and place young adults in healthcare jobs
- In Pennsylvania, more than 6,300 companies participate in 72 active partnerships in sectors that include advanced materials and diversified manufacturing agriculture and food processing, biomedicine, construction, business and financial services, education, energy, healthcare, and information and communication services. See Pennsylvania Workforce Development, Industry Partnerships in Pennsylvania (Apr. 2009) The state reports that nearly 73,000 of its employees have completed or are engaged in industry partnership worker training, which has raised participant wages by an average of almost 13 percent
- Business groups in a number of cities have issued in-depth analyses of workforce demand and the skills that employers seek in their workers based on surveys. focus groups, and individual interviews. These could serve as a model for New York City. For instance, the San Diego Workforce Partnership's Self-Sufficiency

Employment Report (Aug. 2013), based on a survey of 250 employers in 25 occupations that were identified as primary targets for self-sufficiency wages, found that the occupations required more education than had been estimated by the U.S. Labor Department and more experience than had been expected, and the report includes several training program recommendations. The group's Occupational Outlook Report (2011) explores 46 "key" occupations in San Diego County, reporting on educational requirements, necessary work experience, pay ranges, the most important and most commonly lacking skills of applicants, five-year growth projections, the most effective recruitment methods, and whether employers would consider hiring ex-offenders. Another example is the Manufacturing Careers Partnership's Pre-Employment Welder Skills Survey (July 2013), which covers a seven-county region of Wisconsin that includes Milwaukee. Employers were asked to estimate how many welders they anticipated hiring over the next five years (factoring in retirements, promotions, and business growth), whether they hired applicants without experience, and how they sourced welders, among other questions. Such a survey could be adapted to other occupations

- lpha For instance, in the healthcare sector, the New York State Department of Labor projects that between 2010 and 2020, employment in New York City will grow by 34.5 percent for pharmacy technicians; 23.9 percent for medical assistants; 21.2 percent for dental assistants; 10,3 percent for nursing aides, orderlies, and attendants; and 5.8 percent for emergency medical technicians. It projects that these occupations will generate a combined total of 1,910 openings amually. For transportation occupations, the Department of Labor projects 23.8 percent growth in bus drivers for schools or special clients, 8.3 percent growth in bus drivers for transit and intercity, and 3.6 percent growth in drivers of light and delivery trucks, with a combined total of 1,450 openings a year, And for construction, the Department of Labor projects 8.8 percent job growth and 4,380 openings annually. New York State Department of Labor, "Employment Projections:
- " Occupations with median annual wages of \$25,000 to \$65,000 that do not require college credit include 166,570 transportation and material moving jobs. 58.350 production jobs; 98.830 installation, maintenance, and repair jobs; 101,790 construction and extraction jobs; 471,120 office and administrative support jobs; 33,920 food preparation and serving jobs; 19,900 healthcare practitioner and technical occupation jobs; 69,890 healthcare support jobs; 16,250 building and grounds cleaning and maintenance jobs: 83,570 personal care and service jobs: and 93,790 jobs in sales and related occupations. New York State Department of Labor, "Occupational Employment and Wages for the New York City Region."
- $^{ ext{L}}$ Two examples are the electrical inspection certificate issued by the National Association of Home Inspectors and the certified nursing assistant license issued by the New York State Department of Health.
- ⁹ Joanne Jacobs, "In a Tough Economy, New Focus on Job-Oriented Certificates," The Hechinger Report (Jan. 18, 2011); A. Anthony P. Carnevale, Stephen J. Rose, and Andrew. R. Hanson, Certificates: Gateway to Gainful Employment and College Degrees (Georgetown University Center on Education and the Warkforce, June 2012).
- CUNY offers few programs like these. For instance, Bronx Community College reports that it has the only automotive technology curriculum in the CUNY system.
- See http://www.myfuture.com/schools/cost/apex-technical-school_18889Q.
- st Other CTE programs include air conditioning and refrigeration, boiler maintenance, building maintenance, carpentry, certified nursing assistant, Cisco networking, computer literacy, culinary/food preparation, electrical installation, Microsoft Office specialist certification, natural hair styling, plumbing, security. web design, and welding
- $^{ ext{II}}$ The GED test is no longer offered in New York State, which has replaced it with a new high school equivalency test: the Test Assessing Secondary Completion
- * New York City public high school graduation rates for the years 2008 to 2013 (representing today's 18- to 24-year-olds) ranged from 56.4 percent to 61.3 percent. New York City Department of Education, "Cohorts of 2001 through 2009 (Classes of 2005 through 2013) Graduation Outcomes."

Moreover, graduation rates for most schools in the 18 Opportunity Center communities lag well behind the citywide average. For example, the 2013 fouryear graduation rate at Jonathan Levin High School in the Bronx was only 26.6 percent, and at the Bronx High School of Business, 43 percent. Id. New York City's graduation rate for black and Latino males is among the lowest in the nation, with only 37 percent graduating from high school in four years. Michael Holzman, The Urgency of Now: The Schott 50 State Report on Public Education and Black Males 2012 (Schott Foundation for Public Education, Sept. 2012).

Those defined as most in need of remedial education require three or more developmental courses before reaching career or college competency. See

- Thomas Bailey, Dong Wook Jeong, and Sung-Woo Cho, Referral, Enrollment, and Completion in Developmental Education Sequences in Community Colleges (Community College Research Center, Dec. 2008), cited in Julie Strawn, Basic Skills for College and Careers (Center for Law and Social Policy).
- ²⁰ In 2009, 29,354 left high school before graduating, but only 12,738 individuals of all ages passed the GED in 2010 in New York City—about 48 percent of those who attempted it. New York City Council Committees on Education and Higher Education, College and Career Readiness in NYC (New York City Department of Education, Jan. 19, 2012); Sarah Brannen, Falling the Test (Center for an Urban Future, Sept. 2011).
- ²⁸ See John B. King. Jr., College and Career Readiness (New York State Senate Committee on Education, Oct. 29, 2013). The New York State Education Department deems students with minimum scores of 75 on the English Regents and 80 on the Math Regents as "College and career ready." See also Adriana Villavicencio, Dyuti Bhattacharya, and Brandon Guidry, Moving the Needle; Exploring Key Levers to Boost College Readiness Among Black and Latino Males in NYC (Research Alliance for New York City Schools, July 2013).
- Analysis of New York City Department of Education June 2013 graduation outcomes for public high schools in District 7. Analysis is available upon request from JobsFirstNYC.
- ²³ Valene Carrigan, Contextualizing Basic Skills and Career Technical Education (CTE). Curricula (June 2008), Furthermore, obtaining an HSE diploma has been found to have little impact on income, employment, college attendance, or graduation rates. HSE holders, particularly male ones, generally work fewer hours for lower wages than high school graduates with comparable cognitive skills. In one study, the earnings of males aged 25 to 29 with GEDs were found to earn about 25 cents per hour more than those of same-age dropouts, while comparable high school graduates earned \$1.75 more per hour than GED holders, on average, James J. Heckman, John Eric Humphries, and Nicholas S. Mader, "The GED," in Handbook of the Economics of Education (vol. 3, 2011). See also Jizhi Zhang, Mee Young Han, and Margaret Becker Patterson, GED Candidates and Their Postsecondary Educational Outcomes: A Pilot Study (GED Testing Service, 2009), An earlier study found that only 10 percent of GED earners who started college ultimately attained a two- or four-year degree, David Boesel, Nabeel Alsalam, and Thomas M. Smith. Research Synthesis: Educational and Labor Market Performance of GED Recipients (U.S. Department of Education, Jan. 1998).
- ²⁴ Mayor's Office of Operations and the Department of Citywide Administrative Services, 2013 New York City Government Workforce Profile Report (Dec. 2013). In addition, New York State, Port Authority, and the Metropolitan Transportation Authority employ at least 30,000 more workers.
- Frank Braconi, Municipal Employee Compensation in NYC (Office of the New York City Comptroller, Mar. 2011).
- ³⁶ Maria Doulis, "City Government Needs to Attract Younger Workers," Citizens Budget Commission (Feb. 2014).
- ²⁷ Although they constitute only 13 percent of the population, more than 21 percent of all public sector workers across the country are African American. Public administration is the leading employer of African American men (18 percent) and the second-leading employer of African American women (23.3 percent) after educational and health services (27 percent). Steven Pitts, Research Brief: Black Workers and the Public Sector (University of California, Berkeley, Center for Labor Research and Education, Apr. 2011). The public sector is not only the single most important source of employment but also a critical source of decent-paying employment for African Americans, with median wages significantly exceeding those earned by this same population in other industries. For example, between 2005 and 2007, African American men in the public sector earned nearly 24 percent more than their counterparts in the overall workforce (\$17/hour versus \$13.75/hour). Nearly 40 percent of New York City's municipal workforce is African American. Mayor's Office of Operations and the Department of Citywide Administrative Services, 2013 New York City Government Workforce Profile Report (Dec. 2013).
- ²⁶ Ruth Milkman and Stephanie Luce, The State of the Unions 2013: A Profile of Organized Labor in New York City, New York State, and the United States (Joseph S. Murphy Institute for Worker Education and Labor Studies and the Center for Urban Research, CUNY Graduate Center, Sept. 2013).
- 20 Id
- ⁵⁰ Ester R. Fuchs, Dorian Warren, and Kimberly Bayer, Expanding Opportunity for Middle Class Jobs In New York City: Minority Youth Employment in the Building and Construction Trades (Columbia University School of International and Public Affairs, Mar. 2014).
- See James Parrott and Lazar Treschan, Barriers to Entry; The Increasing Challenges Faced by Young Adults in the New York City Labor Market (JobsFirstNYC, May 2013).
- ²⁰ Id.; Analysis of New York City Department of Education June 2013 graduation outcomes for public high schools in District 7. Analysis is available upon request from JobsFirstNYC.
- Mearly 138,000 young adults between the ages of 16 and 24 were arrested for misdemeanor possession of marijuana (N.Y.P.L. Section 22110) between 2005

- and 2011. New York Police Department data provided by Harry G. Levine, Queens College and the Graduate Center, City University of New York (Feb. 4, 2013).
- ¹⁴ The neighborhoods in which most of the 35 Percent live enjoy few relevant services. For example, there are no local young adult employment services in Mott Haven/Hunts Point, Ocean Hill-Brownsville, Soundview/Parkchester, Morrisania/ East Tremont, Central Harlem, North Crown Heights/Prospect Heights, East New York, or Pelham Parkway. Together, these neighborhoods are home to at least 60,000 OSOW young adults.
- The federal Pamily Educational Rights and Privacy Act (20 U.S.C. & 1232g; 34 CFR Part 99) protects the privacy of student education records. Under this law, schools may not release any information about a student's educational record other than to a "specified (school) official for audit or avaluation purposes." Because only DOE staff can access academic records, it is essential that DOE staff work at Opportunity Centers to ensure that proper educational plans are created. Public school officials work at YouthSource centers for the same reason.
- 10 In Los Angeles, for example, all eighth graders who do not enroll in high school are sent a letter informing them about the city's YouthSource Centers.
- ¹⁷ More than 200 research papers have explored the outcomes and effectiveness of employee assistance programs. Mark Attridge, "The Business Value of an EAP: A Conceptual Model," EASNA Research Notes (vol. 1, no. 10, May 2010).
- ⁴⁹ For example, while Workforcel Career Centers offer qualification screenings, recruitment events, and help with resume writing and job interviews, these services are geared toward helping adults find specific jobs. Staff are not trained to provide career assistance to young adults, help young adults obtain necessary job credentials, or help young adults further or complete their formal educations.

Social workers and guidance counselors at the New York City DOE Referral Centers for High School Alternatives can inform young adults about alternate paths to a high school degree and provide referrals for child care, social work, drug treatment, and counseling. However, assistance is available only to individuals aged 20 or younger who have dropped out, and only between 8:30 a.m. and 2:30 p.m. on days when school is in session, making it difficult for working young adults or those with child care obligations to visit. DOE's College and Career Support website is also unhelpful, as it lacks specific information about courses of study at New York City educational institutions or training centers, and the labor market information to which it links is too sophisticated to be helpful to most young adults weighing career options.

For example, few young adults can be expected to understand the labor market information in the U.S. Department of Labor's Occupational Outlook Handbook linked to from the DOE College and Career Support page, Similarly, a link to CareerZone, the New York State Department of Labor's interactive career exploration and planning website, is equally unavailing, it offers access to career and education information for more than 800 occupations but is written for a college-level audience and lacks information on local training and educational programs.

New York's public library systems also provide career exploration and job search information. For instance, the New York Public Library's website provides links to job search and career databases, to the library's recommendations for the "best free websites for finding a job and advancing your career," and to websites for specific populations (such as formerly incarcerated individuals and recently unemployed New Yorkers). But this information is described only briefly on the library's website, is not targeted toward young adults, and does not attempt to draw connections between occupations, requirements, and training and educational resources.

⁵⁹ The economic sectors covered in the Wisconsin Career Pathways site include architecture and construction; arts, audio/video technology, and communications; hospitality and tourism; human services; information technology; law, public safety, corrections, and security; and manufacturing.

The information technology sector, for example, has four "cluster tracks": programming and software development; information support and services; web and digital communications; and network systems. Clicking on the "Information Support and Services" cluster shows It potential occupations available with one or two years of study. Visitors can learn, for example, that a technical diploma granted after one year of full-time study at Northeast Wisconsin Technical College can qualify them to be a computer support technician, or that one year of study at Madison College could qualify them as a help desk support specialist. If they explore construction-related jobs, they would find that they could qualify to be an industrial maintenance mechanic with a technical diploma awarded after a 32-week course of study.

** For example, the healthcare sector provides good entry-level jobs for young adults with limited education. The Baltimore Alliance for Careers in Healthcare has created a series of "Career Maps" showing occupations, salaries, and duties for a variety of occupations in the field that illustrate the career paths that are possible with additional education and experience. The New York City young adult career portal would describe and link to the career pathway brochures prepared by the Department of Education with the New York City Labor Market Information Service and Grant Associates that help young adults explore opportunities in eight industries. These career brochures incorporate labor market data and industry requirements and illustrate career pathways for eight sectors.

JobsFirstNYC | Unleashing the Economic Power of the 35 Percent | 2014



Secretary-Treasurer
JANELLA T. HINDS

Prepared and Presented by Alex Gleason, Policy Associate, on behalf of President Vincent Alvarez

New York City Central Labor Council, AFL-CIO

New York City Council Committee on Civil Service and Labor

December 11, 2014

Good morning and thank you for the opportunity to testify before the City Council today. My name is Alex Gleason, and I am the Policy Associate at the New York City Central Labor Council, AFL-CIO. We represent 1.3 million workers from a myriad of unions in the public, private, and building trades sectors. We applaud the Office of Workforce Development's efforts for an ambitiously re-designed workforce development system. The Labor Movement has worked for decades to train and re-train the City's workforce. Each year, the New York City Labor Movement collectively trains over a quarter of a million members. Last year alone, The Consortium for Worker Education—the workforce development arm of the Central Labor Council—enrolled over 84,700 workers in courses, and completed well over 1.6 million contact hours. This does not begin to scratch the surface of the vast training infrastructure of our affiliates, and success of labor-management partnerships.

The Labor Movement is proud of our ongoing collaboration with multitudes of employers on successful joint labor-management training funds and partnerships. To give you an example of one affiliate, 1199 SEIU trains over 64,000 healthcare professionals per year in the City of New York. This training is done through partnerships with providers like The League of Voluntary Hospitals and Homes of New York (LVHH,) as well as home care agencies. This is an example where a clear labor-management partnership is working to benefit not only the workers and employers, but also the City. Sector-based partnerships are most effective when they leverage the expertise of already existing labor-management workforce development entities.

The Labor Movement has successful partnerships across nearly every sector. There are numerous career pathways created by union apprenticeships, 60% of whom are people-of-color. Thousands of members are trained through 32BJ SEIU's Shortman Institute, which prepares workers from janitors to building superintendents. UFT Paraprofessionals are encouraged to

leverage their experiences to raise wages and become teachers; this has existed for decades, and is bolstered by partnerships like those between the UFT and SUNY Van Arsdale. Another example is the Hotel and Motel Trades Council, which has successfully lifted the floor through promotions, and career-ladder training. Any re-imagining of the City's workforce development system should tap into the knowledge, resources, experiences, career ladders, and already established best practices of the New York City Labor Movement.

A great space for collaboration with the Office of Workforce Development is with the creation of sector industry councils. The industrial councils will be comprised of key stakeholders, and will direct training resources and industrial policy in a given area. The perspective of the workers will be a valuable component in understanding employee needs and skills, as well as enhancing industrial policies, all of which is important in repelling the effects of income inequality.

Ultimately, combating income inequality by expanding worker's rights and collective bargaining remains a common goal of the Labor Movement, the City, and stakeholders. We look forward to the implementation of the Jobs Taskforce recommendations on policies that will lift the floor for workers. Affiliates like RWDSU and UFCW have been attempting (and succeeding) to organize low-wage retail and service workers for many years. They have been successful in providing workers with steady schedules, as well as moderate wage and health benefit growth, making these jobs more like family-sustaining careers. These are the experiences we look forward to continuing to share during the implementation of the workforce plan.

We appreciate the efforts of the Office of Workforce Development in this report. We remain available to use our vast infrastructure, networks, experiences, and best practices to help the City advance. We want to see all working people in this city succeed. We stand ready to be effectual partners in making that happen. Thank you all for your time and consideration.

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