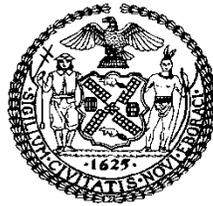


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THE COUNCIL OF THE CITY OF NEW YORK

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Hon. Robert Cornegy, Chair

COMMITTEE ON CIVIL SERVICE & LABOR

Hon. I. Daneek Miller, Chair

November 27, 2017

Oversight: Update on Career Pathways/Workforce Development Systems

INTRODUCTION

On November 27, 2017, the Committee on Small Business, chaired by Council Member Robert Cornegy, and the Committee on Civil Service and Labor, chaired by Council Member I. Daneek Miller, will hold a hearing entitled: *Oversight: Update on Career Pathways/Work Development Systems*. The Committees on Small Business, Civil Service and Labor, and Economic Development previously held a related hearing on January 27, 2016 entitled *Oversight: Update on the Mayor's Structural Reforms of the City's Workforce Development Systems*.

The Committees would like an update on the progress made by the Mayor's Office of Workforce Development and learning more about the related Career Pathway programs. Those invited to testify include the Department of Small Business Services (SBS), the Economic Development Corporation (EDC), the Mayor's Office of Workforce Development, as well as advocates, business groups, and members of the public.

BACKGROUND

In 2014, Mayor Bill de Blasio established the Mayor's Office of Workforce Development (WKDEV) and created the Jobs for New Yorkers Task Force to expand the City's workforce development to offer better quality jobs with long-term career prospects to job seekers.¹ According to the 2014 Career Pathways report,² the primary job placements for unemployed people and students were in low-wage, low-skill positions. Additionally, the Human Resources

¹ See *Career Pathways: One City Working Together* (2014), p. 11; available at <http://www1.nyc.gov/assets/careerpathways/downloads/pdf/career-pathways-full-report.pdf>.

² *Id* at 17.

Administration (HRA) found that 25 percent of welfare recipients who obtained these jobs returned to public assistance within 12 months.³

The Jobs for New Yorkers Task Force (Task Force) was composed of representatives from government agencies, businesses, educational institutions, labor, nonprofits and philanthropy.⁴ The Task Force produced the 2014 Career Pathways report, which outlined three pillars: 1) building skills employers seek; 2) improving job quality; and 3) increasing system and policy coordination to promote and implement career pathways.⁵ Additionally, WKDEV moved roughly \$500 million from “rapid attachment” employment services to improving training and education. The Career Pathways Report also called for an increase in funding to “bridge programs,” which are designed to serve New Yorkers who do not have the level of education necessary to immediately find employment or enroll in post-secondary education.⁶ The Administration plans to provide \$60 million annually to bridge programs by 2020.⁷ Thus far, it has allocated \$6.4 million.⁸ To complement this work, the City has established the NYC Bridge Bank, a repository of open-source curricula and resources to assist entities that seek to develop bridge training programs.⁹ Bridge programs provide educational instruction and workforce development services to better prepare individuals for occupational and sector specific skill needs.¹⁰

The City University of New York (CUNY)

³ *Id.* at 19.

⁴ *Id.* at 12.

⁵ See *Career Pathways Progress Update* (2015); available at <http://www1.nyc.gov/assets/careerpathways/downloads/pdf/Career-Pathways-Progress-Update.pdf>.

⁶ See *Career Pathways: One City Working Together* at 8.

⁷ *Id.* at 19.

⁸ *Center for an Urban Future: Building the Workforce of the Future* (2016); p. 15; available at https://nycfuture.org/pdf/Building_the_Workforce_of_the_Future.pdf.

⁹ NYC Career Pathways: NYC Bridge Bank; available at <http://www1.nyc.gov/site/careerpathways/strategy/nyc-bridge-bank.page>.

¹⁰ *Id.*

The City University of New York (CUNY) also plays a role in the shift from job placement to a career pathways approach. Between fiscal year 2014 and fiscal year 2016, the Mayoral Administration increased the city's investment in CUNY's Accelerated Study in Associate Programs (ASAP) from \$8.5 million to \$25.7 million.¹¹ This program helps students earn associates degrees within three years by providing career counseling, tutoring, MetroCards, and financial assistance to lessen the cost of textbooks.¹² A study published by MDRC, a non-partisan think tank, found that ASAP nearly doubled three-year graduation rates for developmental education students.¹³ According to the Mayor's Management Report (MMR) for fiscal 2017, CUNY is currently expanding its ASAP initiative from 4,000 students in 2014 to 25,000 students by academic year 2018-2019.¹⁴ In academic year 2016-2017, CUNY ASAP enrolled 10,440 new students and the program is projected to meet the fiscal year 2019 enrollment goal of 25,000 students.¹⁵

Industry Partnerships

Industry partnerships are teams of experts in a particular field that are focused on addressing mismatches between supply and demand in the labor market.¹⁶ WKDEV initially recommended a focus on establishing or expanding industry partnerships in six primary sectors: healthcare, technology, manufacturing, construction, retail, and food service. The City is currently operating two of those partnerships; the New York Alliance for Careers in Healthcare

¹¹ See *Center for an Urban Future: Building the Workforce of the Future* at 6.

¹² See *Career Pathways: One City Working Together* at 82.

¹³ See MDRC: Evaluation of Accelerated Study in Associate Programs (ASAP) for Developmental Education Students; available at <https://www.mdrc.org/project/evaluation-accelerated-study-associate-programs-asap-developmental-education-students#overview>.

¹⁴ See Mayor's Management Report (September 2017); p. 46; available at http://www1.nyc.gov/assets/operations/downloads/pdf/mmr2017/2017_mmr.pdf.

¹⁵ *Id.*

¹⁶ NYC Career Pathways: Industry Partners; available at <https://www1.nyc.gov/site/careerpathways/strategy/industry-partnerships.page>.

and the Tech Talent Pipeline (TTP); and plans to launch an additional four partnerships in the manufacturing and construction sector.¹⁷

The technology industry supports approximately 291,000 jobs, comprising 7.58% of citywide employment, at an average wage of \$82,160.¹⁸ This industry grew by almost 29,000 jobs between 2010 and 2013.¹⁹ Since the launch of Career Pathways, TTP has mobilized more than 150 industry partners and formed an advisory board consisting of CEOs and Chief Technology Officers from across the city. The advisory board includes 25 of the City's largest tech employers, who represent a collective workforce of more than 40,000 workers.²⁰

In October of 2017, the Administration announced that it would expand the TTP Residency Program, which connects qualified undergraduate computer science students to internships with industry leaders seeking tech employees. The program will now include Lehman College in the Bronx, in addition to its original campus, Queens College.²¹ The Administration also announced a new initiative to double the number of CUNY students graduating annually with a tech-related bachelor's degree by the year 2022. This component of TTP, the \$20 million CUNY 2X Tech initiative, will consist of \$11 million in City funds and \$9 million in federal and private funds.²²

Cybersecurity has also emerged as a hiring priority. Earlier this year, in June, the Mayor announced a plan to create 10,000 cybersecurity related jobs over the next decade, as part of a

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ Social Indicators Report (2016); p. 168; available at <http://www1.nyc.gov/assets/operations/downloads/pdf/Social-Indicators-Report-April-2016.pdf>.

²¹ NYC: News: De Blasio Administration Announces Initiative to Double the Number of Graduates with Tech Degrees; available at <http://www1.nyc.gov/office-of-the-mayor/news/677-17/de-blasio-administration-new-initiative-double-number-graduates-tech>.

²² *Id.*

\$30 million investment in training, academic research, development labs, as well as a business accelerator.²³

Healthcare is another major component of the city's economy, and a prominent part of the Career Pathways approach. The healthcare industry supports 611,019 jobs (more than any other industry) and makes up 15.91 percent of citywide employment.²⁴ Healthcare positions have an average wage of \$48,957, and the sector has added 47,648 jobs between 2009 and 2013.²⁵ When considering the City's increasing elderly population,²⁶ ambulatory care employment is projected to increase by 36.9 percent between 2010 and 2020, hospitals by 4.1 percent, and nursing and residential care by 23 percent.²⁷ By 2020, ambulatory care and social assistance are expected to be the two largest subsectors of the healthcare industry. As a consequence of this aging population, as well as an aging healthcare workforce, economists expect both growth and turnover within the healthcare sector.²⁸

Bridge Programs Education and Training

Education and training are vital in order for workers to gain skills and credentials that will allow them to be competitive and obtain successful, high quality careers. The 2014 Career Pathways report recommended education and training through bridge programs – programs that

²³ Barth, Bradley, *SC Magazine*; NYC Mayor Reveals Plan to Add 10,000 Cybersecurity Jobs Over the Next Decade (June 16, 2017); available at <https://www.scmagazine.com/nyc-mayor-reveals-plan-to-add-10000-cybersecurity-jobs-over-the-next-decade/article/668902/>.

²⁴ See NYC Career Pathways: Industry Partners.

²⁵ *Id.*

²⁶ Kaufman, Joanne, *New York Times*; "Elderly New Yorkers, Here for the Duration" Sept. 12, 2014; available at www.nytimes.com/2014/09/14/realestate/elderly-new-yorkers-here-for-the-duration.html.

²⁷ New York Alliance for Careers in Healthcare (NYACH), Workforce, and SBS; Workforce Development (July 7, 2014); available at https://www.health.ny.gov/health_care/medicaid/redesign/docs/2014-07-07_social_determinants_work_group_presentation_trager.pdf.

²⁸ See *Career Pathways: One City Working Together*; p. 33.

serve those who have completed some education, but who are not yet ready for college or career-track jobs, and typically score between seventh and tenth grade literacy levels.²⁹

There are approximately 1.7 million New Yorkers with limited English-proficiency and thousands more in need of basic skills training.³⁰ The career-based focus of successful bridge programs distinguishes them from more traditional adult basic education programs. Researchers have found that one year after enrollment, bridge students successfully completed the courses, earned GEDs, and enrolled and persisted in college at higher rates than students in traditional GED prep courses.³¹

Investments in Education and Training

The City has increased annual spending on workforce services from \$500.4 million in fiscal year 2014 to \$606.7 million in fiscal year 2016 by investing additional funds from the city tax levy, the City Council, and private sources, as well as categorizing existing funds for these purposes.³² In addition, the Administration has set a goal of increasing the share of workforce dollars that support training programs from roughly 6 percent to 20 percent, amounting to a goal of \$100 million per year spent on occupational and entrepreneurship training programs by 2020.³³ Along with these investments in training and workforce services, the City Administration has committed to spending \$60 million per year by 2020 on bridge programs that boosts the skills of people whose current abilities are too low to qualify for job training programs, and has allocated \$6.4 million of this money so far.³⁴ These investments, with the support of the online NYC Bridge Bank, which provides examples of complete curricula and other resources for

²⁹ See *Career Pathways: One City Working Together*; p. 38.

³⁰ See *Center for an Urban Future: Building the Workforce of the Future*; p. 15.

³¹ See *Career Pathways: One City Working Together*; p. 40.

³² See *Center for an Urban Future: Building the Workforce of the Future*; p. 4.

³³ *Id.*

³⁴ *Id.* at 5.

organizations looking to implement bridge programming, are critical for enabling providers to develop their own bridge programming to improve the skills of workers.

Despite increased investments from both public agencies and private philanthropy, there is still not enough funding in the workforce development system to realize the city's ambitious plan to move away from simple job placement.³⁵ One challenge is that education and training programs are much more intensive, and therefore, more expensive than traditional job placement programs.³⁶ Organizations that lack the full spectrum of services, such as career counseling, networking, coupled with enhanced training and education, may fail to produce the quality job opportunities promised.³⁷ Additionally, the Career Pathways report has not shed light on how these educational and training programs support underserved communities to address language and cultural barriers, persons with special needs, and young people.³⁸

CONCLUSION

The Committees expect to hear testimony from representatives from the Mayoral Administration, businesses and advocates on the success of the career pathways framework, and suggestions on ways to further create and enhance employment opportunities for New Yorkers.

³⁵ See *Center for an Urban Future: Building the Workforce of the Future*; p. 9.

³⁶ *Id.*

³⁷ *Id.* at 10.

³⁸ See *Center for an Urban Future: Building the Workforce of the Future*; p. 10.