



Testimony of New York Association of Training & Employment Professionals
Before the Joint Legislative Hearing on the 2017-18 Budget Proposal

Economic Development Hearing

Presented by Melinda Mack, Executive Director

Good morning, my name is Melinda Mack. I am the Executive Director of the New York Association of Training and Employment Professionals (NYATEP), also known as New York State's workforce association. Our 140 member organizations are deeply committed to workforce development as economic development that serve more than one million New Yorkers each year. We consider a human capital strategy critical to the success of New York's businesses and to our citizens' economic security. Founded in the late 1970's, our membership represents every county in the State, and includes workforce boards, providers of economic development, unions, colleges, literacy, education, job training, and employment services. Our members range from small community based organizations that work within neighborhoods or with special populations, such as veterans, youth, or New Yorkers with criminal justice histories, to huge institutions like the City University of New York and Goodwill of NY and NJ. To support our members, and the wider workforce community, we advocate on issues affecting the workforce system, operate pilot programs, and conduct professional development to support an effective and thriving workforce development network in New York State. To learn more about NYATEP visit www.nyatep.org

First, on behalf of the NYATEP membership I want to extend our gratitude to the Governor's office and State Legislature for consistently placing jobs and skills training at the forefront of the agenda this past year. We appreciate that the need for a skilled workforce has been heard by our policymakers, elevated to committee hearings, and is present in the Governor's budget proposal. However, despite the "focus" on workforce development New York State has not made funding job training, contextualized adult basic education, and employment programs a priority.

The statewide system is largely propped up by federal funds, which are in jeopardy now more than ever before. In the past ten years, these funds have decreased by 50%, and with the new Administration we expect to see further reductions. In turn, the State has dramatically scaled back, flat-funded, or chosen not to direct resources for the programs that get New Yorkers the basic education, work readiness, and employer-specific skills needed. In a detailed analysis we completed with the Center for an Urban Future, *Seeking a State Workforce Strategy*¹, we found that just since 2009 funding has decreased by nearly \$30 million in New York State. And, the result is open jobs remain unfilled, and workers are without the skills they need to compete. It is a lose, lose situation.

The federally funded statewide workforce system serves hundreds of thousands of New Yorkers each year, and leverages millions of dollars in local and philanthropic investments. To give you a sense of the scale locally: in New York City alone, more than 140,000 New Yorkers were served and 8,000 business;

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

Rochester served 15,000 New Yorkers and nearly 150 unique businesses; and the Finger Lakes area served more than 4,500 New Yorkers, and nearly 120 businesses. I share this with you to underscore that we do not need a new initiative – the infrastructure is already in place; including programs and relationships with businesses that are ready to scale – the system simply lacks funding.

As the State considers making massive investments in infrastructure, clean technology, and in revitalizing communities, we feel strongly that it is critical we ‘skill up’ the New Yorkers across the State to take these jobs. From Buffalo to Plattsburgh, to Garden City to Syracuse and the Bronx – when you speak with employers, they will tell you one of their key issues is finding and retaining talent. Site Selection Magazine has recently indicated a “skilled workforce” is the top issue for firms looking to locate.

In New York, we are falling behind in preparing the skilled workers we need to meet the growing hiring needs statewide. This should not be a surprise. The American Community Survey estimates show that more than 5 million New Yorkers over the age of 25 have a high school diploma or less, which is roughly 40% of New Yorkers.

Table 2. Educational Attainment of New York Residents (ages 16 and older), by Nativity, 2009-13

Educational Attainment	Total	Native Born		Foreign Born	
	Number	Number	Percent	Number	Percent
Population ages 16 to 18	799,000	714,000	100%	85,000	100%
Not enrolled and no high school diploma or equivalent	31,000	25,000	4%	6,000	7%
Population ages 19 to 24	1,698,000	1,411,000	100%	288,000	100%
With at least high school diploma or equivalent	1,508,000	1,274,000	90%	234,000	81%
Without high school diploma or equivalent	190,000	136,000	10%	54,000	19%
Enrolled in school	41,000	32,000	23%	9,000	17%
Not enrolled in school and not employed	87,000	70,000	52%	16,000	30%
Not enrolled in school and employed	63,000	34,000	25%	28,000	52%
Population ages 25 and older	13,245,000	9,469,000	100%	3,776,000	100%
Less than high school diploma or equivalent	1,984,000	963,000	10%	1,021,000	27%
High school diploma or equivalent	3,606,000	2,633,000	28%	973,000	26%
Some college or associate's degree	3,273,000	2,570,000	27%	703,000	19%
Bachelor's, graduate, or professional degree	4,382,000	3,303,000	35%	1,079,000	29%
Foreign college-educated	X	X	X	567,000	53%

Note: All numbers are rounded to the nearest thousand; calculations in the text use absolute numbers.

Source: MPI analysis of pooled 2009-13 ACS.

In our state, investing in “skills” has long meant providing resources to the “traditional” education pipeline including K-12 (including P-Tech models) and expanding college access. These are critical investments, and they should not diminish. However, we also need to invest in the millions of young adults and adults who are low skilled, working in low wage/low skill jobs or are unemployed/underemployed and want to work. By only investing in part of pipeline, we are leaving millions of “skillable” workers behind. Programs offered through BOCES, employer-driven incumbent worker and on-the-job training, apprenticeships, programs available through workforce departments at community colleges, among others – meet both businesses and jobseekers where they are, and get New Yorkers to work.

In this year’s Executive Budget, we applaud and support the Governor’s efforts to redirect resources for job training outside of the Regional Economic Development Council process. This includes \$1 million in Environmental Protection Fund resources to support youth clean jobs training, \$5 million in additional federal Temporary Assistance for Needy Families resources for Summer Youth Employment programming (SYEP)³, and \$5 million in federal Workforce Innovation and Opportunity Act discretionary funding⁴ for high tech jobs. Additionally, the Governor has committed to providing funding under the ‘Buffalo Billion’ to support advanced manufacturing training. Finally, it is important to note that the remainder of New York’s workforce strategy continues to be grounded in business tax credits, such as expanding the Excelsior Jobs Program, and renaming the Urban Youth Jobs Program, etc., that offer little evidence that show that business tax incentives create net economic gains above and beyond what would have been attained in the absence of the incentives.⁵

Again, redirecting federal resources is not enough. We are asking the Legislature to invest in our State’s human capital as an economic driver with flexible, State resources to allow local workforce agencies and providers to meet the needs of its local workforce and business community. With the significant investments being made in economic development, it would be foolhardy to treat human capital as anything but critical to the State’s current and future economic success.

To that end, we ask you to consider the following proposals:

² “Immigrants and WIOA Services: Comparison of Sociodemographic Characteristics of Native- and Foreign-Born Adults in the United States”, Migration Policy Institute, April, 2016, <http://www.migrationpolicy.org/research/immigrants-and-wioa-services-comparison-sociodemographic-characteristics-native-and-foreign>

³ This raises the total to \$36 million in the Governor’s proposed budget. To learn more about SYEP <http://nyatep.wix.com/nysummeryouth>

⁴ WIOA Discretionary funding is capped at 15% of total Title I resources, and is administered at the discretion of the State Department of Labor.

⁵ Marilyn M. Rubin and Donald J. Boyd, “New York State Business Tax Credits: Analysis and Evaluation,” New York State Tax Reform and Fairness Commission, November 2013.

- **Establish a Statewide Skills Training Fund:** We ask that the Legislature establish a \$5 million Statewide Skills Training Fund to enable workforce providers and businesses to apply to a rolling Request for Proposals to support high quality education, training, and employment programming. The fund should invest in what works, including:
 - **Business-driven training & employment solutions:** Programs that engage employers (or a group of employers) in curriculum development, reduces paperwork and bureaucratic hurdles, and customizes solutions to the business requirements and hiring demands.
 - **One-Size does NOT fit all:** Local workforce areas understand that there is no “one-size-fits-all” approach to serving New Yorkers, therefore local coordination of supportive services (i.e. transportation stipends, childcare, housing, etc.) to meet the diverse needs of jobseekers and trainees is essential.
 - **High Standards:** We should all know what works. Any investment in workforce and job training should include realistic data collection and performance reporting, so the system can demonstrate and measure its success.

- **Expand the Uses of Empire State Development’s Regional Council Capital Funds:** Based on our annual analysis of proposals, the *Regional Economic Development Councils* (REDC) are investing just over 1 percent of available funds (currently NYS Department of Labor federal funds) to support job training. In short, *we feel it is critical for the people who live in the local communities across the State to be able to take part in the economic development success made possible through the REDCs.* We propose modifying the purposes of Empire State Development Fund, specifically Regional Council Capital funds program (<https://esd.ny.gov/regional-council-capital-fund-program>) to allow for employer-driven workforce development projects.

The funds are meant to "or capital-based economic development projects intended to create or retain jobs; prevent, reduce or eliminate unemployment and underemployment; and/or increase business or economic activity in a community or Region." However, funds are restricted to being utilized for only:

- Acquisition or leasing of land, buildings, machinery and/or equipment
- Acquisition of existing business and/or assets
- Demolition and environmental remediation
- New construction, renovation or leasehold improvements
- Acquisition of furniture and fixtures
- Soft costs up to twenty-five (25%) of total project costs
- Planning and feasibility studies related to a capital project

We believe if the allowable uses are modified to include regional, sector focused partnerships specifically aimed at training New Yorkers for the economic development projects specified in the REDC proposals, we’d make progress to meeting the critical demand to fill new jobs and replace retiring workers. If just 15% of the \$175 million available last year was directed to workforce solutions aligned with economic development projects, around \$26 million additional dollars would

be available. This is not a request for new money, it is a request for expanding the allowable uses of current resources.

- **Establish a Wage Data Clearinghouse:** Reporting on outcomes is critical to demonstrating effectiveness of workforce programs. We strongly recommend that New York State establish a wage data clearinghouse to utilize available wage record data, quarterly census of employment and wages data, unemployment insurance data, and other available data to enable State agencies, policy makers, workforce development providers, higher education, among others analyze and publicly report the outcomes and effectiveness of workforce development investments.

We sincerely appreciate your consideration of our proposals. Thank you for the opportunity to speak with you today. I would be happy to address any questions you have now or in the future.

