

**TESTIMONY OF DAVID JASON FISCHER**  
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**NEW YORK CITY COUNCIL COMMITTEE ON ECONOMIC DEVELOPMENT**  
**OVERSIGHT HEARING: NEW YORK CITY WORKFORCE INVESTMENT BOARD**  
**CY 2005 STRATEGIC PLAN: WHERE ARE WE TODAY?**  
**TUESDAY, FEBRUARY 13, 2007**

Good morning. I am David Fischer, project director for workforce development and social policy at the Center for an Urban Future. The Center is a Manhattan-based think tank that investigates and reports on issues of importance to New York City in the fields of economic development, workforce development and other areas. I am grateful for the opportunity to testify to the Committee today.

The question you are exploring through this hearing is how New York City's workforce development system has progressed nearly seven years after the federal Workforce Investment Act went into effect here. The Center for an Urban Future is soon to release a major report that essentially addresses this same question, and I will briefly share our primary findings in this testimony.

When Mayor Bloomberg took office in January 2002, he inherited a collection of workforce development programs that really did not merit description as "a system." This was an area of policy that no mayor or City Council, regardless of party or background, had ever seen as a priority. This state of affairs reached its nadir under former Mayor Giuliani, who viewed this field with undisguised contempt and very nearly rendered the city out of compliance with federal law. His administration's inattention to workforce issues had tragic consequences after 9/11,

when tens of thousands of our fellow citizens suddenly found themselves out of work and had no recourse to a public system that could help get them back on their feet.

As you know, in June 2003, Mayor Bloomberg closed the former Department of Employment and split workforce responsibilities between the Department of Small Business Services, for programs serving adults and dislocated workers, and the Department of Youth and Community Development, for programs serving youth. Over the following 18 months, the administration made a series of major administrative and programmatic changes, forged new partnerships, and infused the agencies and the federally mandated Workforce Investment Board with new talent. Commissioners Walsh and Mullgrav, Workforce Board executive director Marilyn Shea, and the staff at both agencies and the WIB all deserve a great deal of credit for the city's progress in workforce services over the last few years.

The particulars of that progress include more than 25,000 job placements through the city's network of Workforce1 Centers; skills upgrades and wage increases for thousands more through the city's Business Solutions Training Grants, which use public money to leverage employer funds; dramatic improvements to the Summer Youth Employment Program, which put more than 41,000 young New Yorkers to work last summer, and the successful launch of Corporate Allies Program for Training, Internships, and Leadership, or CAPITAL, a program that represents the next step for successful Summer Youth participants by placing them in paid private-sector internships.

Perhaps most significant is that the city, for the first time, has embraced a demand-driven approach to workforce programming that acknowledges that helping employers meet their labor force needs is the key step to serving jobseekers. The city has moved in very short order to the forefront of national thinking in terms of aligning workforce programs with economic development priorities. And the agencies, particularly SBS, have made a focused effort to build trust and credibility with some of the city's biggest employers, and the system now consistently

refers job candidates to major firms like Time Warner, FreshDirect and Washington Mutual among others.

But it is the nature of researchers and advocates to look at the ground gained with appreciation, and then to declare: “more, more, faster, faster.” For all the progress that has been made, the hardest work remains to be done in building a system of job training and employment services with the scale, scope and vision to serve New York’s employers, jobseekers and incumbent workers.

The biggest problem, unfortunately, is largely beyond the city’s control: federal disinvestment in workforce development, a dismal trend for most of the past 20 years under both parties, accelerated in 2006. New York City’s total Workforce Investment Act allocation declined by nearly \$20 million last year, forcing both agencies to curtail or even end programs; as SBS deputy commissioner Scott Zucker recently put it, his agency now has to run a \$65 million system with \$45 million. DYCD had to scale back its well-regarded program serving out of school youth to less than 950 placements; it’s estimated that the total number of “disconnected” young New Yorkers ages 16 to 24 who are neither in school nor working exceeds 170,000.

But the funding crunch, while very serious, is not the only problem. Put simply, we need a bigger and more inclusive vision of workforce development. The city’s 2005 strategic plan for workforce development displays the sharper focus and improved management that have characterized programs in this area of policy over the last few years, but it is notable for what is not included: the plan has no mention of the Human Resources Administration, Department of Education, industry associations, or post-secondary educational institutions other than CUNY.

The omissions of HRA and the Department of Education seem especially significant. With the system performing so much better in the tasks of initial job placement, officials at SBS and the WIB now are seeking to improve outcomes around employee retention and advancement. But the work support programs for which HRA controls enrollment and compliance—from Food Stamps to public health coverage to day care—are a crucial input to these results, boosting the

real income of low-wage workers and their families. And with so many young New Yorkers who do graduate high school facing an uncertain job market, some means of articulation between the public schools and the workforce system would benefit both institutions. In particular, New York City's Career and Technical Education programs, an area of the schools that has gone relatively unaddressed by Mayor Bloomberg's ambitious reform agenda, would gain by closer ties to employers and the Workforce1 network.

Finally, while Mayor Bloomberg himself deserves great credit for taking a stronger interest in workforce services than probably all his predecessors combined, his unmatched credibility within New York's business community and great overall popularity in the city suggests he could do even more. Among the initiatives SBS plans in response to the mayor's Commission on Economic Opportunity is the creation of two new Workforce1 Centers designed to meet the employment needs of specific economic sectors; perhaps the mayor could personally invite stakeholders from the chosen sectors to join in a collaboration modeled after the city's successful Commission on Construction Opportunity. The mayor also should add his influential voice to the emerging coalition of city leaders across the country calling upon Congress to reverse the trend of declining investments in workforce development.

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