

REFORMING WORKFORCE DEVELOPMENT IN NEW YORK

An educated and highly skilled workforce is a necessary foundation to competing in the global economy of the 21st Century. The alternative – competing with low wage workers – is not a path New York State should ever follow.

Improving the skills of students who graduate from our high schools is necessary to bring NY up to speed in meeting our workforce challenges, but it will not be enough. Because 70% of those who will be workers in the year 2020 are already in the workforce today, enhancing the skills of high school graduates does nothing for those workers. We must also continuously educate and strengthen the skills of our current workforce.

As with many of New York State's economic problems which have been tackled by government, effective workforce development is hampered not necessarily by a lack of funding, but rather by poor administration. There is insufficient coordination between overlapping funding sources and duplicative programs that purport to address the problem, as well as a lack of accountability in measuring the results of each dollar spent in one year before more dollars are allocated for the following year.

New York State has 28 major job training programs spending nearly \$1 billion every year from the federal and state governments. Each program is designed to meet a specific need and they help many effective agencies provide services to both workers and businesses.

But 11 different state and federal agencies oversee these programs, all with different eligibility criteria and performance measures. The programs function under different rules, and actually operate with four separate fiscal years. Add the usual turf wars between different types of workforce training providers and you have a recipe for massive bureaucratic inefficiency.

The government entities that administer these programs – including the Education Department, the Department of Labor, SUNY, Empire State Development Corp. and the Office of Temporary and Disability Assistance – all have very different missions and cultures. They supply funding to local trainers as varied as social service agencies, chambers of commerce, community colleges, and organized labor to provide services. The only results that some of these providers measure are the number of participants they served and the courses they provided, not useful

performance measurements such as the additional skills trainees acquired, what new jobs they obtained, or what salary increases were achieved.

With our limited financial resources and the critical need to grow NY's economy, it is essential that we maximize the effectiveness of our workforce development efforts. We must help workers obtain the skills they need for good jobs paying middle class wages, and arm New York's businesses with the skilled workers they need to compete successfully in the global economy. With a sense of mission and urgency, the Empire State can have the best skilled workforce in the world in ten years; we need to aggressively pursue this goal.

What we need to do:

- We need to designate and empower a temporary czar to design and enforce a coordinated effort among the many competing training providers: someone who both understands and has authority over the discrete silos of the workforce, social services, and educational systems and facilitates cooperation between the federal, state and local levels. Turf wars should no longer be tolerated between competing agencies; pet projects cannot be allowed to interfere with a thoughtful and cohesive approach.
- We should develop a common tracking and reporting system. Today, a person's information may be tracked in as many as four separate data systems, depending on the funding streams of the programs in which they participate. Such redundancy wastes scarce resources that should be used for actual programs, and complicates efforts to compare the effectiveness of various services.
- With the improved data and perspective that a unified reporting system would provide, we should develop a common report card that would allow taxpayers to measure whether job training and education programs are succeeding.
- Using quantifiable and transparent measures, we should develop a Return on Investment mechanism that would very publicly reward achievers and defund ineffective providers. Because our resources are constrained, and the need is so great, we can only afford to invest in programs that demonstrate results.

Only with a world class workforce can New York State reclaim its rightful place among the leaders of the American and global economies; as it is within our power to provide our people with that opportunity, it is our responsibility to do so.