

NEW YORK CITY WORKFORCE INVESTMENT BOARD EXECUTIVE COMMITTEE

Meeting of October 19, 2006

At the New York City Department of Small Business Services
110 William Street, 7th Floor

MINUTES

Members in Attendance:

Rocco Damato	Stuart Saft
Reg Foster	Robert Walsh
Kathleen Kearns	

Also Present:

Susan Arroyo	Katy Gaul
Rebecca Brown	Susan Haskell
Chris Cesarani	David Margalit
Spencer Cronk	Alicia Noel
Tony Dell'olio	Jean Seltzer
Brian Egan	Marilyn Shea
Hector Flores	Scott Zucker
Celeste Frye	

Stuart Saft, Chair, called the meeting to order.

The minutes of the June 22, 2006 Committee meeting were approved.

Overview of FY07 WIA Allocations

Marilyn Shea, Executive Director of the New York City Workforce Investment Board (WIB), reported that New York City's final Workforce Investment Act (WIA) Title I-B allocation for City Fiscal Year 2007 (FY07) was \$77.5 million, representing a \$19.4 million, or 20%, decrease from FY06. She stated that the allocations for individual WIA funding streams were as follows: Adult, \$26.6 million; Dislocated Worker, \$17.2 million; Administration, \$7.7 million; and Youth, \$25.9 million. Ms. Shea reported that the City's funding reductions were the result of four factors: (1) reductions in the federal appropriation levels for Adult and Youth funding streams; (2) a reduction in New York City's unemployment rate; (3) a reduction in the City's relative share of unemployment nationally; and (4) modifications to the federal allocation methodologies.

FY07 Adult & Dislocated Worker Spending Plan

Scott Zucker, Deputy Commissioner for Workforce Development at the New York City Department of Small Business Services (SBS), reported that SBS was able to mitigate the effects of the FY07 funding reduction in the current program year by: (1) carrying over approximately \$13.2 million in FY06 Adult & Dislocated Worker funds into FY07; (2) opting not to renew a portfolio of Dislocated Worker contracts that had expired; and (3) renewing only the best performing 14 Adult Special Populations contracts out of 21 total contracts and limiting the duration of those contracts to June 30, 2007. Despite the savings realized by these contract decisions, Mr. Zucker reported that the WIA funding reduction would impact the current year's Adult and Dislocated Worker programs. The primary effects, he stated,

would include a reduction in occupational training and a severely limited ability to support new activities, including robust sector-based initiatives and recent mayoral initiatives, such as the Commission on Economic Opportunity and the Comprehensive Neighborhood Economic Development initiative in Bedford-Stuyvesant.

Mr. Zucker and Alicia Noel, SBS Budget Director, presented a FY07 spending plan for the Adult and Dislocated Worker programs. Mr. Zucker and Ms. Noel made recommendations for how the \$65.5 million in available FY07 funds could be allocated across funding categories, such as Workforce1 Career Centers, Individual Training Accounts, Business Solutions Hiring & Training, Business Solutions Centers, Operations and Technology, etc.

Next, Mr. Zucker presented the potential funding situation for FY08. He reported that SBS anticipates that a carry-in of just \$2.5 million in FY07 funds will be available in FY08. New York City will not, therefore, be able to support the same level of activities in FY08 even if its FY08 allocation remains unchanged. Further, Mr. Zucker stated that the current budget climate in Washington, D.C., coupled with factors in the WIA funding formulae, make likely that the City's FY08 allocation will decrease. In anticipation of this decrease, he recommended that WIB carefully examine the performance of the workforce system and decide which programs and services are providing the greatest results to businesses and jobseekers. Additionally, he suggested that the WIB investigate opportunities to pursue additional sources of funding, including federal and state discretionary funds and supplemental funds made available by the New York State Department of Labor. Mr. Zucker proposed that a dedicated grant writing staff could help the WIB aggressively pursue these funds and other grant opportunities.

Following a discussion, the Committee approved the FY07 Adult & Dislocated Worker spending plan.

Impact of Funding Reductions on WIA Youth Programs

Susan Haskell, Assistant Commissioner of Vulnerable and Special Needs Youth at the New York City Department of Youth and Community Development (DYCD), presented the impact of the funding reductions on WIA Youth Programs. She reported that DYCD's final allocation was \$3 million less than the planning estimates issued by the New York State Department of Labor in February 2006. As a consequence, the agency had to cut its recently signed contracts by 10-15% for Out of School Youth programs and 24% for In School Youth programs. Ms. Haskell reported that despite these cuts, all 24 Out of School Youth and 44 In School Youth providers agreed to move forward with their contracts.

SBS Staffing Announcements

SBS Commissioner Robert Walsh announced that Scott Zucker was recently appointed Deputy Commissioner of Workforce Development at SBS. Mr. Zucker, who previously served as Assistant Commissioner for Workforce1 System Management, succeeded David Margalit in that role. Mr. Margalit, in turn, was recently named Deputy Commissioner of Business Development, in which capacity he will oversee SBS's efforts to attract, retain and grow businesses throughout New York City and better link those businesses with the City's workforce system.

Conclusion

Following the business described above, the meeting was adjourned.