

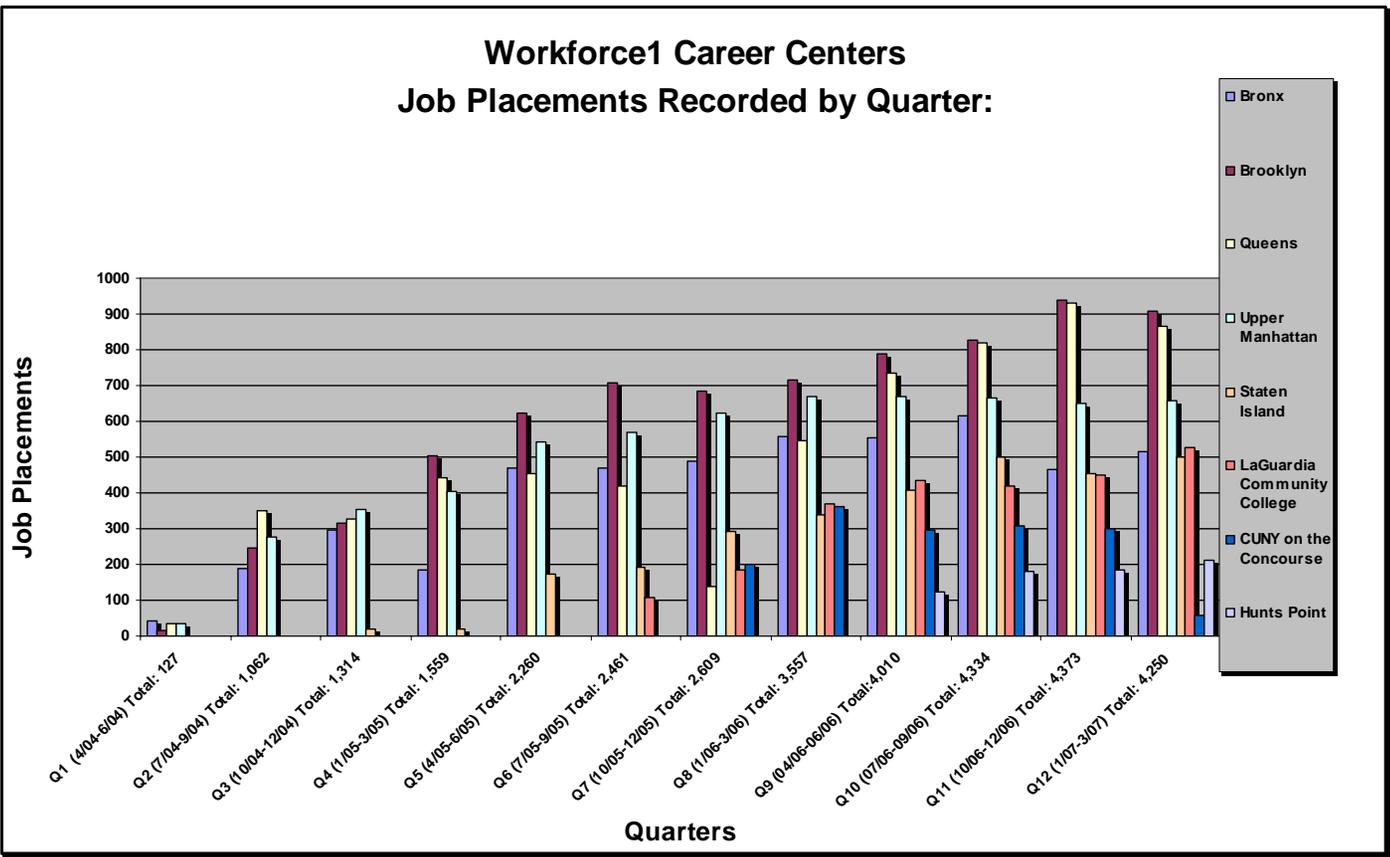


New York City Department of Small Business Services
www.nyc.gov/sbs

***Pre-RFP Conference for New Programs
August 2007***



- SBS's results-oriented approach to workforce development has gone from placing hundreds of unemployed job seekers to thousands; since 2004, more than 27,500 customers have been placed in jobs with 3,000 companies
- Building upon our success and volume, SBS will provide retention and advancement services as the next critical step in ensuring career growth for jobseekers and meeting employer demand.



Strengthening NYC's Workforce System



Based on SBS's success in integrating economic development and workforce development, Mayor Bloomberg has charged SBS with the implementation of programming targeted at the working poor through the Center for Economic Opportunity.



" Even though today more New Yorkers are working than at any time in our city's history...the fact remains that more than 1.5 million New Yorkers confront conditions that meet the national definition of poverty."

—Mayor Michael Bloomberg

Guiding Principles for SBS's CEO Programs:

- Launch innovative programming that has not been previously implemented at scale in NYC
- Move the working poor out of poverty through interventions tailored to the needs of working individuals
- Leverage the existing Career Center system where possible
- Use a demand-driven approach that works closely with business in all program strategies and implementation.



Presentation Summary

- Overview and Goals
- Sector Strategies
- The Sector Center
 - Organizational Structure
 - Program Services
 - Outcomes
 - Location and Budget
- Q & A



Overview

The New York City Department of Small Business Services will launch a new **Sector-Based Career Center** (“Sector Center”) that will:

- Focus its services on a single economic sector
- Apply a specific workforce development model called a *sector strategy* to its work
- Leverage a deep understanding of business needs in the target sector
- Emphasize career advancement by placing low-income workers in jobs that pay \$10 per hour or more with benefits
- Be run by a partnership of two or more organizations
- Affect systems change over time by identifying and addressing barriers in industry practices, education systems, or public policy in a way that benefits businesses and workers



The Sector Center will have two primary goals:

1. Meet the specific workforce needs of businesses in the target sector
2. Provide low-wage workers with access to good jobs and career advancement opportunities



Definition of Sector Strategies

Sector strategies share four common elements that distinguish them from conventional workforce programs:

- They **target a specific industry**, and often an occupation or set of occupations within that industry.
- They involve an organization acting as **a strategic partner with deep knowledge of the targeted industry** and its companies.
- They **provide or coordinate training, supportive services and other types of assistance to improve career opportunities for low-wage, low-income or unemployed workers** in that industry.
- They **promote systemic change** within an industry by working collaboratively with other parties to achieve changes in employment practices that benefit employers, low-wage workers, and low-income job seekers.

Source: The Aspen Institute: <http://www.aspenwsi.org/fastfacts-FAQ.asp>.



Why Pursue Sector Strategies?

According to a three-year longitudinal study by The Aspen Institute, sector strategies are a highly promising workforce development approach, as evidenced by their:

Value to Workers

- Workers who were employed at least once during the year before enrolling more than doubled their median personal earnings two years after completing occupational training (\$8,580 at baseline to \$17,732).
- 48% of these participants moved out of poverty based on earnings alone.

Value to Businesses

- Employers valued the programs, citing, among other things, the programs' success in finding new sources of talent for hard-to-fill positions.

A third party evaluation of sector initiatives in Massachusetts showed a 41% reduction in turnover and a 23% reduction in customer complaints

Sources: The Aspen Institute: www.aspenwsi.org and National Network of Sector Partners: www.nedlc.org/nnsf.



Examples of Sector Strategies

▪ **Flint Healthcare Employment Opportunities**

- Lead partner is a nonprofit that works with 6 other organizations, including colleges, a training institute, and community-based organizations, as well as 3 major local hospitals
- Provide training and placement to fill entry- and mid-level positions

▪ **ManufacturingWorks, City of Chicago**

- Run by a nonprofit and funded by WIA and other funds through the City as part of State and City policies to retain manufacturing
- Partners include manufacturing training center, local development corporations, nonprofits
- Services include recruitment, hiring, training, skills gap analysis

▪ **Nevada Partners**

- Run by a labor-management group and a nonprofit
- Work with 24 major casinos and resorts
- Provide culinary training and placement to Las Vegas residents



Sector Selection

The New York City Workforce Investment Board (“WIB”) and SBS reviewed local industry and labor market research and identified sectors with hiring and training needs, demand occupations, and opportunities conducive to low-wage workers.

As a result, SBS anticipates considering proposals targeting one of the following sectors:

- Construction
- Healthcare
- Manufacturing
- Retail/Hospitality
- Transportation and Warehousing



Organizational Structure

The Sector Center will be operated by a partnership of a lead agency and one or more additional organizations that leverage their respective core competencies.

The **lead agency** will possess:

- The ability to convene and build consensus across a range of organizations with different missions, values, priorities, etc.

The **partnership** as a whole will possess:

- Strong relationships with businesses and in-depth knowledge of the target sector
- The ability to provide non-workforce related business services as appropriate (such as marketing, access to finance, etc.)
- A demonstrated track record of providing workforce development services to low-income individuals that produce results
- The ability to provide high quality occupational training



Jobseeker Services

Jobseeker services will be developed in accordance with the specific needs of the target population and the target industry sector.

Key services may include:

- Retention and advancement services
- Skills training for existing workers
- Job placement and skills training for new workers
- Contextualized ESL and job readiness programs
- Individualized worker supports



Workforce Services for Businesses

Services will be designed to address sector skills gaps, hiring and training needs, and other needs of the chosen sector through some of the following services:

- Ongoing business needs assessments through conversations, focus groups, and other methods
- Employee recruitment and placement for entry- and mid-level jobs
- Training or education for new or existing workers
 - Classroom education
 - Occupational training
 - On-the-job training
 - Supervisory training
- Retention strategies to reduce employee turnover



Non-Workforce Services for Businesses

By addressing other, non-workforce business issues faced by the target sector, the Sector Center may be able to build greater credibility and buy-in with the chosen sector and help to support and retain quality jobs

The Sector Center would provide one or more of the following services:

- Marketing
- Strategic planning
- Financing
- Assistance with technology upgrades
- Other identified key sector issues



Jobseeker Outcomes

- Place and advance a high volume of low-wage workers and jobseekers in jobs within the chosen sector.
 - Year 1: place or advance **500-600** workers in the target sector
 - Year 2: place or advance **1,000-1,200** workers in the target sector
 - Year 3: place or advance **1,000-1,200** workers in the target sector
 - Assist workers in improving job retention

Definitions and Criteria

- Jobs must pay at least \$10 per hour and provide benefits to qualify as a placement
- An advancement is defined as an increase in a worker's wages due to a work-related change (higher wage, more hours, benefits)



Training Outcomes

Career advancement is an integral part of the Sector Center's goals. Since training or education is key to advancement, the Sector Center will meet specific training outcomes.

- Assist workers in enrolling in and completing sector-specific training and/or education programs:
 - Year 1: enroll minimum of **100 workers** in occupational training or sector-specific education program
 - Year 2: enroll a minimum of **200 workers** in occupational training or sector-specific education program
 - Year 3: enroll a minimum of **200 workers** in occupational training or sector-specific education program
 - Attain an **80% completion rate** for training participants



Business Outcomes

The majority of business outcomes will be determined by the applicants, who will be expected to demonstrate outcomes that make sense for the target sector.

Examples of these outcomes include:

- Completion of business needs assessments
- Improved employee recruit-to-hire ratio
- Job order fill rate
- Decreased worker turnover rates
- Employer participation and satisfaction
- Financial investments made by employers
- Completion of business impact assessments



Systems Change Goals

The Sector Center will affect systems change within an industry by working collaboratively with other parties to identify and address barriers that impact employers and low-wage workers.

Systems change will likely fall into one of the following three categories:

1. Industry Practices

- Hiring Practices
- Working Conditions
- Advancement Opportunities

2. Education and Training Infrastructure

- Improve access to (for-credit) education
- Create a new apprenticeship program
- Preserve and revitalize an existing industry program

3. Public Policy

- Improve regulatory framework for target industry
- Increase or alter public funding streams



Form and Location

The Sector Center could take on a variety of forms, depending on the target sector and applicant:

- A new stand-alone center in the form of a career center or a training institute
- The use or expansion of an existing site, including:
 - a training center
 - an employment center
 - a local development corporation
 - a college's space
 - a labor union space
- The borough location will also depend on the target sector



Budget and Contracting

- The **total three-year operating budget** for the Sector Center will not exceed **\$6,900,000**, or \$2,300,000 per year, plus approximately \$500,000 for start-up costs.
- **Funding will come from tax levy** allocated specifically for the purpose of supporting the CEO initiatives.
- SBS intends to **award one contract** for the RFP to a **lead proposer**. Collaborative proposals between two or more entities will be considered.
- SBS expects applicants to **leverage additional resources/funding** to support this project.
- SBS anticipates using **performance-based payment** milestones.



Additional Resources on Sector Strategies

- The Aspen Institute: www.aspenwsi.org.
- National Network of Sector Partners: <http://www.nedlc.org/nnspl/>.
- Public/Private Ventures:
http://www.ppv.org/ppv/workforce_development/workforce_development_initiatives.asp?section_id=5&initiative_id=9.
- Sector Strategies: www.sectorstrategies.org.



Concept Report for the Criminal Justice Program
is available at : www.nyc.gov/sbs

Comments may be submitted through:

September 21, 2007

Q & A