Best Practice: Sector-Based Workforce1 Transportation Center

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CITY: NEW YORK CITY **POLICY AREAS: WORKFORCE DEVELOPMENT**

BEST PRACTICE

The New York City Department of Small Business Services (SBS) launched **the Workforce1 NYC Transportation Center** (the Center), a sector-based workforce program focused on the transportation industry, in June 2008. The Workforce1 NYC Transportation Center is one of the first large-scale sector initiatives in New York City (NYC) and the nation. Also funded by the Center for Economic Opportunity, the Center applies a sector-based workforce model to a large career center.

ISSUE

The Workforce1 NYC Transportation Center addresses the needs of NYC businesses to have access to screened and qualified labor; and jobseekers' needs to have access to skills development and job opportunities in a specific sector. The Workforce1NYC Transportation Center offers its services free of charge and open to any business or jobseeker needing assistance in the sector.

GOALS AND OBJECTIVES

The goals of the Center are to:

- Help make companies more competitive by becoming a recognized expert of the workforce needs of transportation companies and providing services to meet those needs.
- Connect low-income workers to good jobs with career advancement opportunities within the sector.
- Catalyze systems change within transportation by working collaboratively with other parties to identify and address barriers that impact employers and low-wage workers. The program focuses on placing the majority of participants in jobs with good wages and benefits.

IMPLEMENTATION

The Center is operated by DB Grant Associates and is located in Jamaica, Queens. Using labor market data, the Center chose to focus specifically on four subsectors; Air Transportation, Truck Transportation, Passenger and Ground Transit, and Air Support Transportation. Within these subsectors, the Center works closely with companies to assess their hiring and training needs and to develop customized solutions to meet those needs. These services include extensive job preparation and training services, tailored to meet the specific needs of transportation companies for both jobseekers, and incumbent workers employed within the industry. By doing so, the program creates a pipeline of highly qualified transportation workers that saves companies time and money, improves productivity, and makes businesses in the transportation sector more competitive. For example, many companies have expressed a need for supervisory training to both retain workers and provide advancement opportunities for line staff. The Center has created customized supervisory trainings for two employers with the expressed focus to address an industry need as the workforce is aging out and there is a need to bring and advance new workers within the sector. The Center has also found that having a deeper engagement with employers has enabled the Center to maintain and exceed performance expectations despite challenging economic times. By having their "fingers on the pulse" of employer demand, staff has been able to connect those who were recently dislocated from employers in the sector with other like opportunities. Similarly, the Center also screens new entrants into the sector, assisting jobseekers seamlessly transition into a new field.

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COST

The budget for the Center is $9,210,000 over three years (approximately $3.07 million a year). It is funded by City tax levy dollars and has an additional allotment of Workforce Investment Act (WIA) dollars in the form of Individual Training Grants (ITGs). The cost per outcome is approximately $3,000/head. The equation is derived by the formula as such: Total year 1 budget (minus start-up costs) divided by total placement and promotion outcomes.

RESULTS AND EVALUATION

As of April 2009, the Transportation Center has made a total of 869 placements and promotions. A total of 664 individuals have been placed in jobs and 75% of those placements are in jobs that pay $10 an hour or more. The average hourly wage is $13.47 and the median wage is $13.03. In addition, a total of 205 individuals have received promotions and the 75% of those individuals have received a 10% increase in wages or more. Two hundred and thirty nine individuals have enrolled in training (primarily for Commercial Drivers Licenses (CDL) or supervisory training). Additionally, over 80 transportation companies in NYC have been served by the Transportation Center.

Other key successes measured by the Center include the formation of a successful business advisory council (called the Leadership Committee) made up of employers from the industry, training providers, industry associations, and economic development organizations that provide market intelligence and feedback on the strategic direction of the Center.

TIMELINE

The Workforce1 NYC Transportation Center is managed on a yearly calendar cycle for planning, budget and performance outcomes. Contracts are negotiated for 3 year cycles per each vendor partner.

LEGISLATION

The federal legislation governing the system is the Workforce Investment Act (WIA), which has been in existence in its current form since 1998. Most recently in February 2009, the American Recovery and Reinvestment Act (ARRA) was passed, more commonly known as the "Federal Stimulus Package" which included additional WIA funding to the local system. This funding has allowed for more flexibility for training related investments and it being piloted for future versions of the WIA legislation.

LESSONS LEARNED

In addition to the lessons mentioned earlier, the Center has found that having a deeper engagement with employers has enabled the Center to maintain and exceed performance expectations despite challenging economic times. By having local knowledge of employer demand, staff has been able to connect those who were recently dislocated from employers in the sector with other like opportunities. Similarly, the Center also screens new entrants into the sector, assisting jobseekers seamlessly transition into a new field.

Why the NYC model has been successful:

- NYC has recognized that by understanding the industry dynamics, the specific competitive environment, and workforce needs of employers within the sector the Transportation Center will create lasting changes in the labor market system that are positive for workers and employers.

- The design of the model was created with input from national sector leaders including Aspen Institute and the most effective programs in the country helped to provide input and learn from their implementation lessons. This large

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scale initiative has been achieved by capitalizing on the close business connections and feedback loop from employers, as well as specialized high-quality hiring and training.

- The Leadership Committee that advises the Center, is an integral resource in this process and brings together several stakeholders in the industry to illicit feedback about the Transportation Center activities.

TRANSFERABILITY

Historically, due to the intense focus and level of expertise required to be successful, sector initiatives are most appropriate to smaller scale or boutique programs. The Workforce1 NYC Transportation Center is one of the first sector initiatives in the nation that has been brought to scale. There are various components that can be transferred and/or adopted by other localities. Below are several components that have wider reaching appeal outside of New York City.

- Understanding the industry dynamics, the specific competitive environment, and workforce needs of employers within the sector will create lasting changes in the labor market system that are positive for workers and employers.
- Capitalizing on the close business connections and feedback loop from employers, as well as specialized high-quality hiring and training in your area specific to the sector.
- Creating a committee of industry specific experts is an integral resource and brings together several stakeholders in the industry to illicit feedback about sector activities.
- The Workforce1 NYC Transportation Center has already been recognized by CEO and SBS as being an effective model in the fight against unemployment and sector-based work. Recognizing the success of the sector-based initiative, the best practices of the Center will be applied to two new SBS Sector Centers, set to launch in the near future. SBS recently released a competitive Request for Proposals for two additional Sector-Based Career Centers. In addition, SBS is currently examining how it can incorporate more elements of sector strategies into the larger workforce system.

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