

NEW YORK WORKFORCE INVESTMENT BOARD EXECUTIVE COMMITTEE

May 22, 2014
253 Broadway, 14th Floor

MEETING MINUTES

Members in Attendance:

Kathleen Kearns, Chair
Horace Barker
Les Bluestone
Mark Elliot
Reg Foster

Also Present:

For WKDEV:
Katy Gaul-Stigge
Todd Levinson

For SBS:
Jackie Mellon
Chris Neale

For DYCD:
Alan Cheng
Justin Walter

Kathleen Kearns, WIB Chair, called the meeting to order.

The Office of Workforce Development (WKDEV) Provides Update on the Jobs For New Yorkers Task Force

Katy Gaul-Stigge, WKDEV Executive Director, updated the WIB Executive Committee on the newly formed Jobs For New Yorkers Task Force. The Task Force features 30 members from the “supply side” of workforce development (educators, non-profit leaders, advocates, union leaders, and philanthropists) and members from the “demand side” (business leaders, employers across the five boroughs in manufacturing, financial services, media, hospitality, healthcare, the tech ecosystem, retail and food services). The Task Force will look to shift the workforce paradigm from focusing on transactional outcomes defined by low-wage job placement to building skills that will result in higher wage employment and a stronger workforce.

The four goals of the Task Force include: 1) Better integration of the \$500 million investment in workforce programs 2) Combine economic development and workforce development initiatives 3) Address the skills gap for low-wage workers by creating training with in-demand skills 4) Ensure local employees seek, find, and hire talent from the five boroughs of New York City. Over the course of the next few months, the Task Force will also examine current workforce programs and provide recommendations as to which programs should continue and which should be re-configured or eliminated.

DYCD Fiscal and Program Update (WIA Youth)

DYCD staff walked the Committee through its presentation of DYCD WIA fiscal and program performance covering the period from January through March 2014.

Budget Summary. As of the March 2014 Claim, WIA Youth spending was at 65% in Fiscal Year 13/Program Year 12. In Fiscal Year 14/Program Year 13, that rate is at 57%. Carryover spending was 100% in Fiscal Year 13/Program Year 2012. In Fiscal Year 14, carryover spending is at 95%. The reason for the accelerated spending in Fiscal Year 13 was the application of carryover funding towards the SYEP program. DYCD projects to spend down its carryover funding without the need for applying it towards SYEP in Fiscal Year 14. Projected Expenditures for Fiscal Year 14 are \$18,682,373.17, 86% of the Program Year 13 award.

Program Summary. WIA Youth Program performance is consistent with historical trends. For PY 2011 (July 1, 2011 – June 30, 2012), New York City met or exceeded state standards on all goals (met as defined as reaching 80% or more of target). DYCD for PY 2012 (July 1, 2012– June 30, 2013) performance met or exceed all state standards.

The majority of **In School Youth** participate in SYEP and exit the ISY program in September. As such, programs do not have PY 13 placement outcomes until October – December 2014. Final PY 13 outcome figures will be available in June 2015.

In 2013, the City received more than 135,388 applications for roughly 35,957 slots in our **Summer Youth Employment Program (SYEP)**. The participants worked in 6,883 diverse worksites across the City, including day camps, retail, hotels and hospitals. The total program budget for summer 2013 was \$45.6 million.

Beginning in 2014, the SYEP now comprises of four service options. A program for Younger Youth (ages 14-15) is now a standalone option that focuses on work readiness, career and college exploration and service learning work assignments. The Older Youth program provides work experience to 16 to 24 year olds with extended upfront orientations and educational workshops. **The Vulnerable Youth Program** serves youth 14-24 who are court-involved, runaway/homeless, youth aging out of foster care or who currently receive preventative services from ACS. **The Ladders for Leaders Program** targets high school and college students who have prior work experience and provides employer-paid summer internships and some of the leading companies and non-profits in the city. Currently there are 48 unique providers with 98 contracts.

SBS Fiscal and Program Update (WIA Adult and Dislocated Worker)

SBS staff walked the Committee through its presentation of SBS WIA fiscal and program performance covering the period from January to March 2014.

Budget and Program Summary. **Placements:** From January to March 2014, the Workforce1 system achieved 3,758 job placements, which is 59% of the target for the quarter and is a decrease of 38% over the same period last year. **Wages:** *Median wages for January to March placements were at \$10.00.*

WF1CC Job Placements

The median hourly wage increased in almost all sectors during this quarter (Retail Trade: from \$8.50/hour to \$8.75/hour; Accommodation & Food Services: from \$9.50/hour to \$10/hour;

Health Care & Social Assistance: \$10/hour to \$10.50/hour; Professional, Scientific, & Technical services: from \$9.50/hour to \$11/hour; and Construction: from \$16/hour to \$20/hour). The exceptions were in Administrative, etc. (decreased from \$11/hour to \$9.13/hour) and Transportation & Warehousing (decreased from \$12.23/hour to \$10/hour). Hiring for the Retail sector decreased by almost 60% since the previous quarter (3,108 to 1,285). This is consistent with expected fall in demand for retail hires after the end of the holiday season. Hiring in the Health Care & Social Assistance sector has more than doubled as a percentage of overall hires (4% to 9%). This is consistent with the operations of the new Workforce1 Healthcare Career Center contractor maturing as it finally moved into a permanent location to work from.

System Wide Performance

Centers helped small businesses obtain 94 financing awards, achieving 22% of the system's annual target of 757. This represents an 81% decrease from the same period in 2013. The reduction was attributed to Centers delivering services to Hurricane Sandy impacted businesses during the same period last year. The responsibility of serving Sandy impacted businesses has since been shifted to a dedicated Business Recovery Team. 40 new businesses launched as a direct result of Center assistance. Collectively, the Centers achieved 20% of the system's annual target (200) and a 135% increase over the number of businesses launched during the same period in 2013. Centers achieved 655 employer commitments credited, which represent 16% of the system's annual target of 4,000, and a 10% decrease over the same period in 2013.

Occupational Training

Individual Training Grant (ITGs)

Issuance

Of the 443 vouchers approved between January and March, 2014, over half were to Security Guard courses. About 25% of SBS approved vouchers were for medical field training (medical assistants, nursing aids, orderlies, and attendants) and 10% for various driving certifications. Nearly 90% of vouchers issued are set to complete within FY14. 399 ITG candidates were set to complete training between January and March, 2014. As of mid-May, 2014, 93% have completed.

Placement

Between July 1, 2013 and May 15, 2014, 363 ITG candidates that completed training and received a placement. This is a 33% placement rate for candidates completing training in FY14. The average placement wage is \$12.80 and the average time to placement – the amount of time between training end date and job start date – is approximately 2.5 months.

NYC Business Solutions Customized Training

Awarded businesses represent six different sectors (Professional, Scientific and Technology Services; Food and Accommodations; Manufacturing; Retail; Wholesale Trade and Construction) and all five New York City boroughs. 48% of incumbent worker trainees earned an hourly wage of less than \$15 before receiving training.

Additional WIA-funded Healthcare Training

From January to March 2014, trainings were launched in the following occupations: Home Health Aide (3 cohorts), Patient Care Technician, and Medical Assistant. Through the end of June 2014, over 400 candidates, both incumbent workers and jobseekers, are projected to enroll in healthcare occupational trainings.

Other WIA-funded Occupational Training Initiatives: In-Demand Training

In February 2013, the WIB Executive Committee endorsed an approach to increase training investments in in-demand occupations, especially where non-WIA funds could be leveraged by braiding funding streams. As a result, investments were made in occupational training in IT, transportation, and professional services.

SBS Wage Policy Change

SBS announced that, in line with Mayor de Blasio's vision of reducing inequality in New York City, the agency implemented a new policy effective on April 1, 2014: SBS will only help employers fill job opportunities that either offer full-time hours or pay at least \$10 per hour, with limited exceptions. This policy will shift the Workforce1 system's focus to higher quality jobs with the goal of connecting more New Yorkers to jobs that pay a living wage. SBS thanked the WIB Executive Committee for contributing to this decision. The Executive Committee expressed that it was pleased with this new policy direction.

The May 2014 Executive Committee meeting was adjourned.