RESEARCH ON RECOMMENDATIONS

What Works—and What Doesn’t—in Re-Structuring Workforce Development Systems in U.S. Cities and States

A COMPANION DOCUMENT TO THE 2013 RE-ENVISIONING THE NEW YORK CITY WORKFORCE SYSTEM

February 2014
New York City Workforce Strategy Group
The following 20 cities responded to an electronic survey distributed by the U. S. Conference of Mayors to the members of their Workforce Development Council:

Albany, NY
Baltimore, MD
Buffalo, NY
Chicago, IL
Cincinnati, OH
Dallas, TX
Fairfield, CT *
Fort Worth-Arlington, TX
Hartford, CT *
Houston, TX
Lubbock, TX
New Haven, CT *
Pasadena, CA
Phoenix, AZ
Portland, OR
Providence, RI
St. Louis, MO
Sunnyvale, CA
Tallahassee, FL
Wichita, KS

*Response was from a Connecticut regional board that includes this city.
This research report is a companion document to the 2013 *Re-Envisioning the New York City Workforce System*. This report is an up-to-date national survey of what has—and hasn’t—worked in the re-structuring of workforce development systems at the city and state levels.

The research was undertaken by workforce development expert John Twomey of John A. Twomey and Associates at the request of the New York City Workforce Strategy Group, authors of *Re-Envisioning the New York City Workforce System*. Twomey was asked to identify which of the *Re-Envisioning* document’s ten recommendations had been implemented in other cities in the United States and what the impact has been to date. He conducted phone interviews with 26 key informants, and worked with the U.S. Conference of Mayors to distribute an electronic survey, with workforce professionals from 20 cities responding.

The findings presented here are designed to assist the de Blasio Administration as it addresses the labor market challenges facing both employers and jobseekers. The following pages examine each of the ten *Re-Envisioning the New York City Workforce System* recommendations, and what was learned from both the research interviews and the electronic survey.

For this national sweep of city and state experiences, we have re-ordered the ten recommendations from the original *Re-Envisioning* document. In Section I, we first list the four sets of findings that address our re-envisioned structural recommendations. In Section II, we address the remaining six implementation recommendations.

As the de Blasio Administration considers how best to re-structure its current $400 million investment in workforce development resources, we particularly direct the reader’s attention to the Section I structural recommendations. These are the re-structuring lessons learned from other major cities and states that we believe the de Blasio Administration should take advantage of immediately. Once workforce re-structuring decisions are made within the Mayor’s office, the Administration can then later explore our six workforce implementation findings—using this booklet as a resource to benefit from the hard-won experiences of others across the country.

To read or reference the full *Re-Envisioning the New York City Workforce* document, please visit www.reenvisionworkforcenyc.org.
Re-Envisioning the New York City Workforce System is a strategy paper commissioned by the New York City Workforce Funders and The Clark Foundation. Authored by the New York City Workforce Strategy Group, the Re-Envisioning document was created to help the new Mayor of New York City deliver on his promise of job creation. A diverse range of workforce stakeholders with decades of experience in the city's workforce system, the Strategy Group articulated not the vision for the future, but rather a vision, one intended to engender spirited debate within the workforce, employer, philanthropic and public policy communities.

Defining Workforce Development |

Since workforce development simultaneously serves the needs of both individuals and businesses, strategies must engage both sides of the employment equation, balancing the “supply” needs of workers with the “demand” needs of businesses. These strategies include:

- **Training**—both entry-level and on-the-job; both hard skills and job-readiness skills
- **Matching the right worker to the right employer**—requiring careful recruitment and selection of jobseekers for referrals
- **Job redesign/organizational development services**—to increase the value and productivity of the worker to the employer
- **Career development**—focusing on continuous skill-building to increase the value of the job for the worker
- **Employee supports**—job counseling and linking to service programs that help the worker remain and be successful in the job

Although workforce development serves a broad range of workers, many programs focus on low-income individuals and others who face employment barriers—either “building ladders” by removing barriers to good jobs, “raising the floor” by improving poor-quality jobs, or both.

Most workforce development strategies engage in one or more of the following approaches: **geographic** (focusing on a particular region, such as a set of neighborhoods); **constituent** (such as out-of-school youth, returning veterans, or unemployed women); **sectoral** (focusing on a particular cluster of occupations, such as machine tooling or healthcare).

A strong and adaptive workforce development system that serves both businesses and job-seekers is essential to deliver on the promise of job creation.
Section I: Structural Recommendations

1 | A single appointed leader within the mayor’s office  
2 | A network of nonprofit workforce intermediaries across the city  
3 | A more formal philanthropic-mayoral partnership  
4 | A Council of Workforce Advisors to support implementation

Section II: Implementation Recommendations

5 | A continuum of services and infrastructure that would ensure “no wrong door” accessibility for both businesses and jobseekers  
6 | A common set of labor-market metrics for assessing outcomes  
7 | A new workforce reimbursement system to blend funding streams and reward long-term outcomes  
8 | A uniform assessment tool for jobseekers accessing public workforce services  
9 | A universal data system to monitor public and philanthropic investments  
10 | A more robust labor-market data capacity
Section I

Structural Recommendations
A single appointed leader within the mayor’s office

Place workforce development within the mayor’s office at the direction of a single appointed leader, reporting directly to the mayor, to integrate all workforce resources within the city, and in turn, coordinate those resources with related economic development, welfare, youth and adult education resources.

The authors of the Re-Envisioning the New York City Workforce System believe it imperative that a single person, accountable directly to the mayor, be appointed in order to ensure that resources are maximized, and that all the stakeholders in the New York City workforce system align in connecting jobseekers and employers.

KEYS TO SUCCESS:
In telephone interviews, a host of national experts named three keys to success for such a single appointed workforce leader within the mayor’s office:

A. The single workforce leader (a workforce ‘czar’ or ‘czarina’) must have a powerfully persuasive personality, whose role is explicitly supported by the mayor.

B. The czar/czarina must have resources directly under his/her control; otherwise the role devolves into merely a coordinating position.

C. Structurally—or at least in daily operations—workforce development must not be subsumed under economic development. Workforce and economic development should be closely linked. Yet, in many other cities and states, workforce development has been overshadowed by economic development’s need for quick, transactional aid to businesses—in which workforce resources (e.g., training programs) are offered simply as part of an incentive package to attract or retain a business. While business needs must be addressed, workforce development should maintain a distinct, long-term strategic responsibility for meeting the labor market needs of both jobseekers and businesses.
FINDINGS:
The research uncovered the following findings and examples in major cities and states across the U.S.:

A. The single workforce leader must have a powerfully persuasive personality, whose role is explicitly supported by the mayor.

- The right person, and personality, is particularly important because in many cities the position did not start out czar-like; rather, authority evolved to that status over time due in large part to the strength of the individual and the explicit support of the mayor. Both Boston and San Jose, among others, expanded the position.

- Boston has a Mayor’s Office of Jobs and Community Service that technically works for the Boston Redevelopment Authority (BRA). In practice, however, the Office work is separate and independent from the BRA.

- Chicago also operates through a Mayor’s Office of Jobs and Community Service.

- A former high-level administrator at the United States Department of Labor (USDOL) said, “Many cities have tried to do this [create a distinct workforce development role] and it didn’t work [because it wasn’t structured correctly].”

- A national consultant who has worked in many cities said, “The ‘it’ is that the person either has the Mayor’s ear, or that the job title is so high up that they have clout.”

- There are a number of successful structures for effective workforce ‘czars’ or ‘czarinas,’ but there are also many cities where the workforce structure itself is weak. That weakness, in turn, plays a significant factor in the system’s underperforming.

B. Resources Directly Under the Job Czar’s Control

A common refrain on resources is reflected in the following comments:

- “If the czar has no money under his/her own management, then it is merely a coordinating position.”

- “[The] most important insight is that if a czar has no agency connection and has no resources, it is hard to execute anything.”

- “The czar needs to have resources. At a minimum TANF’s [Temporary Assistance for Needy Families] welfare-to-work funds, WIA Adult, Dislocated Worker, and Youth dollars.”

Examples of resources managed by city workforce leaders:

- **Boston:** The Mayor’s Office of Jobs and Community Service manages all Workforce Investment Act (WIA) Adult, Dislocated Worker, and Youth funds, Employment Service funding, Welfare-to-Work dollars, 15% of Community Development Block Grant funding (CDBG), and Neighborhood Jobs Trust funding. It also receives $32 million in Massachusetts Adult Education and Literacy funds. It provides high-level in-kind staff support to their primary intermediary, SkillWorks, whose main sources of funding are from foundations. The mayor supports and weighs in on SkillWorks’ goals and accountability measures.
– The **non-WIA funds** are much more flexible and synergistic. Innovative initiatives piloted with CDBG dollars or through SkillWorks proved successful and were then transitioned to WIA or other government funding.

– **CDBG funds** are flexible, although they have to be spent on low-income people. Boston divides their workforce portion evenly between youth and adults. CDBG funds give organizations the ability to pursue a mobility goal of moving people up the economic ladder.

– The **Neighborhood Jobs Trust** funds ensure that large-scale real estate development in Boston brings a direct benefit to Boston’s neighborhood residents in the form of jobs, job training, and related services. Boston’s zoning law requires that commercial construction projects in excess of 100,000 square feet receive a zoning variance, one condition of which is that the developer of the building is obligated to pay a linkage fee of $1.57 per square foot into the Neighborhood Jobs Trust.

– **Both CDBG and Neighborhood Jobs Trust funds** in turn leverage significant foundation funding. Neighborhood Jobs Trust funds are used for support services such as childcare and transportation. Having these funds made the government dollars work better.

• **Portland, Oregon:** The state has a surplus in its Unemployment Insurance (UI) trust fund, unlike New York State whose UI fund been in deficit for many years. Therefore, the Portland Workforce Investment Board (WIB) receives: all the WIA Title I funds; national USDOL grants; some CDBG funds; revenue from First Source Hiring agreements; and, new this year, a set-aside for job training in the community benefits agreement with the construction industry—$300,000 in 2013. Additionally, Portland receives state funding for: UI; on-the-job training (OJT); incumbent worker training; and Energy Sector Partnership for training in “green” occupations.

• **Los Angeles:** The workforce director has the following resources: all WIA funds; national USDOL grants; some CDBG dollars; and some private funding. In addition, all WIA Youth funding is now blended with resources from the unified school district and City Council funds, with 70% spent on out-of-school, out-of-work youth. The CDBG funds are flexible as a gap filler and are currently used in LA’s homeless project.

• **San Jose:** In addition to WIA dollars, workforce officials oversee: some CDBG money; the Revolving Loan fund; Empire Zone; Small Business Institute; and funding from a local congressman to create the work2future Foundation.

### C. Workforce Development Distinct from Economic Development

A key decision for Mayor de Blasio and his senior staff will be the relationship between workforce development and economic development. The majority of interviewees across the country noted the danger that workforce development’s long-term goals have often been subsumed to economic development’s short-term goals.

• “From the workforce side you should look at big problems, not transactional ‘what can we do to get this company’ deals.”
“Workforce needs to be separate [from economic development] - fear of quick deals using workforce resources in a short-term, non-strategic way”

“It is important from the workforce perspective to not just quickly attach someone to the labor market, but instead to focus on jobs with career pathways.”

In practice, the relationship between workforce and economic development varies from locale to locale, and is usually structured by a mayor or governor:

- **Boston:** The Boston Mayor’s Office of Jobs and Community Service technically works for the Boston Redevelopment Authority. However, the BRA director is on the WIB, and understands that WIA funds cannot simply be re-programmed into economic development.

- **San Jose:** The de-facto workforce czar also serves as the Assistant Director of Economic Development, and reports directly to the City Manager. While this position is in Economic Development, its long-term focus is on ensuring that workforce development strategy meets housing needs, transportation needs, and economic development goals.

- **Denver:** The relationship between economic development and workforce development has varied depending on the mayoral administration. Although workforce officials formerly communicated directly with the mayor, they currently report through the Office of Economic Development. This current structure has notable benefits and challenges:
  - Workforce development officials are always at the table for expansions and recruiting; for example, they got in on ground floor with the large new Denver Airport project.
  - However, while this structure works well with industry clusters (Denver specializes in information technology, healthcare and advanced manufacturing), it doesn’t necessarily work well across the full spectrum of labor market issues (low-skilled adults, out-of-school-youth, career mobility, etc.)

- **Lancaster, Pennsylvania:** Albeit a small city, Lancaster used workforce strategy in the food manufacturing industry to obtain buy-ins from economic developers. Officials first used food safety training to nurture an industry cluster approach, then added supervisory training in the food industry with workforce dollars, and finally introduced training in packaging. This strategy caught economic developers’ attention, and resulted in a synergistic relationship between workforce development and economic development.

- **State of Pennsylvania:** Under Governor Rendell, workforce development was complementary to economic development, rather than being subsumed or transactional. Workforce looked at big problems. The workforce leader served on the Pennsylvania Economic Development Council, ensuring alignment with economic development goals.
• **Portland, Oregon:** Workforce is closely linked with economic development, but the two are separate entities. The workforce agency is serving both the jobseeker and employer customers well. This system features:
  
  – High engagement with business through their Industry Sector Leadership initiative.
  
  – Multiple economic developers are on the WIB, and the WIB director serves on the Greater Portland Economic Development’s Board of Directors.
  
  – A goal of the WIB is to achieve livable wages, to identify what people need to know to move up the economic ladder, and to support their acquiring the knowledge they need to move through their career.

• **Los Angeles:** Workforce reports to the Deputy Mayor for Economic Development, but the structural relationship has recently changed. Under the previous mayoral administration, a deputy mayor oversaw labor issues and workforce development. Under the current administration, the Deputy Mayor for Economic Development oversees the Directors of Education, Economic Development, and Workforce Development.

• **Across the Board:** Every city workforce professional interviewed worked for cities that had strong engagement with business through sectoral initiatives. They reported that economic development and workforce development are most closely aligned on these initiatives.
A network of nonprofit workforce intermediaries across the city

Engineer over time a network of workforce intermediaries across the city—some sectoral, some geographic, some constituent-based—to deliver workforce services efficiently and effectively.

A workforce intermediary is typically a non-profit agency that performs five functions:

- Aggregate and blend disparate funding sources—public, private and philanthropic.
- Coordinate and hold accountable an integrated network of providers and partners.
- Acquire specialized expertise, knowledge and relationships (whether by sector, region or constituency).
- Develop and drive a core, long-term strategy—focused within a particular sector, region or constituency.
- Deliver and be held accountable for long-term outcomes—for both jobseekers and businesses.

The authors of the Re-Envisioning document “believe that this network of workforce intermediaries, over time, should become the primary contracting vehicles for deployment of city, private and philanthropic resources, reimbursed using an outcomes-based system of funding... These intermediaries, in turn, would coordinate programmatic services to jobseekers and businesses, delivering some services directly while subcontracting others to providers with specialized expertise in delivering particular services or in serving targeted constituencies.”

KEYS TO SUCCESS:

A. In cities across the country there is heavy reliance on intermediaries to deliver high-quality workforce services. In fact, there was widespread agreement among the telephone interviewees that the best way to meet the needs of both jobseekers and businesses is through an intermediary approach.
B. Respondents stated that the term “intermediary” is opaque and they believed it is better to use terminology more clearly understood by both business and government, such as “Employer-Based Alliances,” “Industry Alliances,” or as Washington State calls it “Skills Panels.” Cincinnati calls their effort the “Partnership for a Competitive Workforce.”

C. While there are examples of constituent intermediaries like the Philadelphia Youth Network cited in the Re-Envisioning document and geographic intermediaries like the Brooklyn Navy Yard, the principal intermediary work being done across the country is sectoral.

D. The most common types of sectoral efforts reported were in healthcare and advanced manufacturing. A number of cities like Portland, Denver, and Boston are now moving into a sectoral approach in the information technology (IT) field. Lansing, Michigan has a thriving IT partnership. The choice of a sector to target is tied to the regional labor market from which workers are drawn.

E. Washington State’s Skills Panels have existed since 2000 and have grown to include 49 Skill Panels advising 20 industries that are “continuously examining the workforce needs of the industries they serve.” Panels push for change. They recommend new training programs where none existed before. They demand more training capacity when there are not enough graduates to go around. They press for modernized training for the industry’s current workforce. They demand that public training budgets are strategically used. They support economic development initiatives aimed at building industry competitiveness.”

These undertakings are exactly what the Re-Envisioning document recommends: real business involvement; articulation of business training needs; development of new training programs and the phasing out of obsolete training; and a strategic use of limited public funds.

F. Career mobility and incumbent worker training as an intermediary strategy are some of the best ways to move workers up the economic ladder. Salary gains and promotions achieved after attaining new skills are also easily measurable.

It is difficult to use government funding for incumbent worker training, although some locations like the State of Pennsylvania during the Rendell Administration, and Portland today have been able to obtain waivers to use WIA Adult funds for incumbent worker training. Portland has been able to use 20 percent of their WIA Adult dollars for incumbent worker training, and reports enormous benefits.

The other reason why it is difficult to use government funding for incumbent worker training is due to the regulatory requirement that the worker receive a salary increase within 90 days of completion of training. Boston has been able to achieve salary increases, but they report that you have to be patient, as it often takes more than 90 days. As a result, workforce professionals in Boston use more flexible funding in this effort.
All National Fund for Workforce Solutions (NFWS) sites do incumbent worker training to some degree. Sixty percent of Boston’s SkillWorks participants are incumbent workers. One hundred percent of participants in the healthcare alliance in Cincinnati are incumbent workers. Other NFWS sites are located in cities such as San Diego, Chicago, Atlanta, Hartford, Newark, Dallas, the Bay area of California, and in New York City, among others.2
A more formal philanthropic-mayoral partnership

Partner more formally with the philanthropic leadership that has focused on workforce development in New York City.

According to the Re-Envisioning document, “With foundation resources dedicated toward workforce development in New York City now equaling that of the public sector, philanthropy should be a full partner with the city in designing this new workforce system. No other city in the U.S. enjoys such a significant, well-coordinated body of workforce funders as is currently represented by the NYC Workforce Funders.” Boston, however, does receive significant foundation funding for workforce development and offers a successful model of a philanthropic-mayoral partnership.

THE BOSTON MODEL: SKILLWORKS

SkillWorks is a multiyear initiative to improve workforce development in Boston and the Commonwealth of Massachusetts. It brings together government, philanthropic and community organizations, and employers to address the dual goals of helping low-income individuals attain family-supporting jobs and businesses find skilled workers.

- In 2001, a group of local funders and government officials began gathering in Boston to discuss two important questions: what could the philanthropic community do to support dwindling public investment in workforce development initiatives, and how could the workforce system better meet employer need for workers to maintain their competitive edge?

- With initial investments from The Boston Foundation, the City of Boston, and several other foundations around the city, SkillWorks was launched in 2003 as a multi-year, dual-customer initiative with three main components:
  - Partnerships of employers and community-based organizations designed to address the needs of low-income workers and businesses;
  - Public policy advocacy; and
  - Capacity building for workforce development service providers.

- Phase I (2003-2008) invested $15 million to help more than 3,000 workers receive skills training and either enter the workforce or receive raises and promotions.
Phase II (2009-2013) continued this important work with an added emphasis on better connecting Massachusetts’s community colleges and other post-secondary institutions to and the workforce development system. SkillWorks raised $10 million for Phase II for investments in Workforce Partnerships, Public Policy Advocacy and Capacity Building.

SkillWorks released new funding guidelines for Phase III on October 11, 2013. It has a growing list of SkillWorks funders.4

KEYS TO BOSTON’S SUCCESS:

• Structure—the Mayor and Funders: The foundations realized that the city had to be at the table. Since SkillWorks’ inception, Boston’s mayor has been represented at the table by Conny Doty, Director of the Mayor’s Office of Jobs and Community Service.5 Ms. Doty had a strong personal relationship with former Mayor Menino and personally briefed him on what SkillWorks had accomplished and what they would be proposing. Although some of the larger funders were initially skeptical that every stakeholder at the table who was putting up any amount of money would each have one vote, that structure has worked out very well over time.

• Stable Leadership: SkillWorks has benefitted from stability in leadership; its director Loh-Sze Leung has been with the organization since the beginning. Conny Doty co-chaired the funders committee for SkillWorks with Jill Lacey Griffin, who is the Director of Programs at The Boston Foundation where she leads the Economic Development and Civic Health Department.

• Augmented Staffing: SkillWorks is able to develop and review proposals with a small staff due to in-kind contributions from the City of Boston. The City provides hours of staff time to SkillWorks from its Chief Planner, Head of Adult Services, and the Director of the Mayor’s Office of Jobs and Community Services.

Chicago is also a good model for a mayoral and philanthropic partnership and will be covered in more depth in Recommendation 4, which outlines the Council of Workforce Advisors.
A Council of Workforce Advisors to support implementation

Assemble a stakeholder-based Council of Workforce Advisors to guide the mayor in designing, building and constantly improving this re-envisioned workforce system.

The Re-Envisioning document states, “The new mayor will require advice and insight from knowledgeable representatives of workforce stakeholders, including business, labor, educators, practitioners and philanthropy.”

THE CHICAGO MODEL:

- During the former mayor’s tenure, philanthropic funders did not function as a cohesive community. When the Mayor wanted something, he would often go directly to the heads of individual foundations.

- The Chicagoland Workforce Funder Alliance has become more organized in recent years, and has a great relationship with the current mayor, Rahm Emanuel.

- Mayor Emanuel has developed a new regional economic development plan from the World Business Chicago organization, a business group that he chairs. The plan has eight strategies, one of which is talent development.

- The staff person for the Chicagoland Workforce Funder Alliance is the lead staff person for the talent development strategy.

Across the board: Our research did not find anything exactly like the proposed Council of Workforce Advisors in other cities. However, just because something has not been tried yet does not mean it should not be attempted in the future. The Council recommended in the Re-Envisioning document would provide a mechanism for all the key stakeholders to advise Mayor de Blasio on meeting the City’s workforce challenges.
Section II

Implementation

Recommendations
A continuum of coordinated services that would ensure “no wrong door” accessibility

Invest in a continuum of coordinated services and the underlying infrastructure necessary to ensure “no wrong door” accessibility for both jobseekers and employers.

The Re-Envisioning document recommends a very robust system, which would include basic career navigation content plus links to free assessments and other resources, including items such as online job board, online workshop calendar with online class registration. The document further asserts that there should be a clear and detailed citywide referral list—regularly maintained and updated—describing all intermediaries offering coordinated comprehensive services, as well as individual providers able to offer “à la carte” employment services.

FINDINGS:

Twenty cities of various sizes responded to an electronic survey inquiry, showing that:

- 70% said they had “no wrong door” accessibility, but closer inspection of their answers revealed that the systems were not as robust as those recommended in the Re-Envisioning document. For example, one city stated that they “have agreements in place for the state program plus we also have local career center info on the computers we are providing in our rural areas. We are working on an extended network interactive model that would allow additional service interactions across all program lines.”
- 20% did not have any “no wrong door” accessibility for businesses and jobseekers.
- 10% of responding cities had “no wrong door” accessibility:
  - Pasadena, California: Pasadena uses Virtual One Stop (VOS) System by Geographic Solutions. VOS is a state-supported, web-based system. Geographic Solutions’ website says VOS provides:
    - Quality, unduplicated job postings from across the internet;
    - A powerful job search engine;
Career tools to allow job seekers to effectively find jobs that match their skills, values, and interests;

User-friendly options to assess the local labor market;

A state-of-the-art interface for employers looking to advertise jobs and recruit talent;

Comprehensive information on education, training programs, and financial aid;

Automated case management and financial tracking tools for staff;

Efficient management of federal workforce programs including the Workforce Investment Act, Wagner-Peyser Act, and Trade Adjustment Assistance; and

Direct state and federal reporting.

Cincinnati-Hamilton County, Ohio: Cincinnati reported that they currently use “the superjobs.com site, but very soon the State of Ohio will release full access to all WIBs and one-stops for the OhioMeansJobs’ enhanced website, which includes so many sources of information for adults and youth and employers and veterans that I cannot list [them all].”

OhioMeansJobs has jobseeker links providing information on jobseeker services (in the One Stop Center) including: the resource room offerings; job readiness workshops; job leads; career coaching and veterans services. Also provided is a calendar of workshops, employer on-site interviewing, featured job openings, on-line applications for apprenticeship programs; and hyperlinks to a host of on-line web resources, examples of which are LMI, local resources, occupational assessment tools, application for TANF and emergency food assistance.

OhioMeansJobs also has hyperlinks for employer services such as: free job postings; recruitment and screening services; free on-site space for interviewing; OJT; and Rapid Response employer layoff assistance.

Sacramento, California: The Sacramento Workforce Investment Board collaborates closely with Sacramento County social services agencies. The two entities have merged operations in every possible way, including locating staff at one another’s offices and providing mutual database access and client referrals.

In the past, Sacramento had 15 One Stop Centers. While there are still seven of these centers providing universal services, the other eight are now training centers.

Their website Sacramento Works provides information on a variety of services for jobseekers, including CareerGPS.com, LMI, O*Net online, occupational outlook handbook, information on available financial aid, and educational information on Adult Education and GED prep, as well as all the area community colleges.

Sacramento Works also allows employers to post job openings, information on customized training, Disability Program Navigator Services, small business assistance, information on tax credits, the ability to list job openings, and links to other websites valuable to employers.
A common set of labor-market metrics for assessing outcomes

Design all workforce investments around a public articulation of a common set of labor-market metrics, balancing business demand with worker needs.

FINDINGS:

The results of the electronic survey completed by 20 cities showed that:

- 75% did not have a common set of labor market metrics for all programs.
- 15% reported that they did have a common set of labor market metrics, but closer inspection of their answers revealed they do not have a system for all investments. For example, one city in this category said they have such a system, but it is only intended for WIA Title I performance measures, not for the numerous other workforce programs.
- 10% of responding cities had a set of common labor market metrics.
  - **Houston, Texas:** While not as encompassing as what the Re-Envisioning document articulates, Houston uses the Workforce Investment Board’s 10 primary WIA performance metrics for the regional system as well as 13 secondary measures including: employer market share; employer loyalty (repeat customers); customers employed after exit; customers with wage gains 20% or more; and customers earning education/training credentials. The latter two are good measures of career mobility.
  - **Pasadena, California:** Pasadena’s metrics include: attainment of industry recognized credentials; placement in quality, living-wage jobs; placement in targeted industry sectors; and return on investment/cost-benefit.

In order to fully implement common metrics for all workforce programs, senior policy makers from the de Blasio Administration will need to identify regulatory, statutory and policy-related barriers. Policy barriers can be changed. Regulations are not as easy to change but possible. If barriers are included in a statute, overcoming them will be more challenging, as legislation might have to be amended. For example, WIA Title I performance measures are set in the law and cannot be waived.
A new workforce reimbursement system to blend funding streams and reward long-term outcomes

Construct a new workforce reimbursement system that rewards intermediaries for balancing the business and jobseeker outcomes named above.

The Re-Envisioning document asserts, “Workforce resources should be targeted to achieve workforce outcomes...the new reimbursement system for funding intermediaries should include the following five characteristics, as detailed below:

- Workforce resources should reward high-quality workforce outcomes.
- Funding streams should be blended to ensure alignment of incentives.
- All investments necessary to achieve those outcomes should be fully funded.
- Intermediaries must have discretion to determine their own strategies.
- Intermediaries that serve jobseekers with higher barriers to employment should receive higher rates of reimbursement.”

FINDINGS:

A number of the 26 workforce experts interviewed thought that paying a higher rate for providing more comprehensive services to jobseekers with higher barriers to employment was a terrific idea. However, none of them knew of a place where such a tiered reimbursement system was currently being utilized.

Of the 20 cities who responded to the electronic survey:

- 85% stated they did not reimburse providers more for working and succeeding with people who have more barriers to employment.
- 15% reported they did use such a reimbursement system, but closer inspection of their answers revealed that the reimbursement system in use was applied on a limited basis.
- **Albany, New York:** Albany reported, “With [WIA] Youth Programs, contractors can apply for what they think they need, and if we agree we could fund higher amounts for programs that serve youth with more barriers.”

- **Cincinnati-Hamilton County, Ohio:** They stated, “the City [does not use] this approach, but the State of Ohio has a ‘pay-for-success’ model for getting TANF recipients work experience and full-time employment.”

Several interviewees mentioned that many government programs, like child care, have historically required payments on a sliding scale and that this recommendation is based on the same theory—**resources should match need.**

**Resources should match need:** There is a long history in federally funded workforce programs of adjusting performance down for a state or local entity serving a harder-to-serve population. This is accomplished through the application of a regression model. The authors of the *Re-Envisioning* document assert that rather than performance being adjusted down, the appropriate resources to accomplish the mission should be adjusted up, and be structured in such a way as to provide wide latitude in how funds are spent, rewarding explicit, long-term outcomes.

- **New York State:** The NYS Department of Health (DOH) reimbursement system, referenced in the *Re-Envisioning* document, covers long-term care clients. The DOH model pays for outcomes, not for inputs, and pays more for more costly clients—those individuals living with higher rates of frailty, disability or illness. For example, DOH knows what they historically paid under Medicaid for treating clients with dementia on a fee-for-service basis. Under this new payment model, for this type of client, DOH will pay the average of 95 percent of historical costs—up-front and pre-paid monthly. In general, if the service costs more, the provider absorbs the additional costs; if less, the provider keeps the excess revenue.

  In addition, this DOH methodology has what is called a “risk corridor.” If a provider nets over 3 percent, then DOH gets the amount above 3 percent back. If the provider’s costs are more than 3 percent over the payment schedule, the provider only “eats” the first 3 percent, and DOH reimburses the balance.

  The attractiveness of this system is that the intermediaries develop the strategy. If a provider thinks that a wheelchair repair operation is essential for their members they can engage those services; there is no pre-approval process for every action.

  The challenge for the de Blasio Administration in implementing such a reimbursement system for workforce development would be:

  - **Specifying that the primary goal is long term employment;**
  - **Defining what long-term employment means** (e.g., consistent employment through one-year after enrollment) and then;
  - **Constructing varying reimbursement rates,** with flexible use of funds, to serve jobseekers with higher barriers to employment (e.g., low-income, long-term unemployed, monolingual non-English speaking).
Most importantly, in addition to paying more for success with jobseekers with more barriers, this recommendation envisions blending funds for longer-term services, post-job placement services, and measures of what constitutes career mobility—rewarding long-term outcomes (e.g., number of individuals retaining employment at one year), not short-term inputs (e.g., number of individuals receiving job counseling).

**Blending funds:** There are many inherent problems with exclusively using government funds for longer-term outcomes. An example is Title I of the WIA rule that an OJT participant needs to receive a raise in 90 days.

- **Boston:** Community Development Block Grant funds are used in incumbent worker training instead. The raises do generally come, but it takes longer than 90 days.

  Another impediment is the performance measures attached to many government funding streams. Again citing a Boston example, if they have an idea for a new program strategy to address an issue, they will often try that strategy with foundation funding, so that they don’t risk missing their performance standards on the government program (which can lead to loss of incentive funding). If the new strategy proves successful, the program is then shifted to government funding.

- **Portland, Oregon:** Community Development Block Grant funds pay for case management; the desired outcome is successful transition from the government–funded workforce system.

**Post-placement services:**

Among the 20 cities that responded to the electronic survey:

- **65% did not pay for any post-placement services.**

- **30% provided very minimal, short-term post-placement services.** Cincinnati, for example, “provides gas cards and bus tokens to help new workers to bridge the gaps in their financial challenges for several weeks. We also assist with other work related purchases.” In Buffalo, “under HPOG [Health Profession Opportunity Grants] grants provide funding for childcare for a limited amount of time.”

- **5% of responding cities did provide post-placement services.**
  - **Portland, Oregon:** Worksystems provides “supports deemed necessary to maintain employment. Payment varies depending upon circumstances, program(s) participation and/or eligibility.”
Measuring Mobility: A related issue to attaining the goal of long-term employment is how to measure career mobility.

Of the 20 cities responding to the electronic survey:

- **85% did not measure career mobility.**
- **15% did measure career mobility.**
  - **Providence, Rhode Island:** The city has created career maps in four sectors.
  - **Fairfield, Connecticut:** The city’s Regional Board stated, “Depending on a program’s funding requirements we will track career mobility metrics such as merit increases and promotions following training.”
  - **Cincinnati-Hamilton County, Ohio:** They reported, “Again, not our city, but our regional partnership is measuring the number of our industry consortium jobseekers and employees who continue on a career pathway within the industry looking for new skills, pay increases, supported additional education.”
  - **Boston:** SkillWorks measures mobility through credential attainment, wage progression, promotions, and college enrollment.

High Quality Workforce Outcomes:

- **Pennsylvania:** Under Governor Rendell, the goal was not attaining quick labor force attachment but jobs with career pathways and incumbent worker training leading to wage gains and/or promotions.

- **Portland, Oregon:** The goal of the WIB is achieving livable wages. What do people have to know to move up the economic ladder? For example, for non-English speaking immigrants with low educational levels, they will provide English as a Second Language (ESL). Then, knowing that clients from this population are unlikely to attain a GED, the WIB provides resources to community-based organizations to help those jobseekers attain the National Career Readiness Credential. With that credential, relatively low-skilled workers are paired with the metal manufacturing sector employers with on-the-job training. All these strategies are designed to move people up the economic ladder toward that livable wage goal.
A uniform assessment tool for jobseekers accessing public workforce services.

Establish a uniform assessment tool to determine the number and severity of employment barriers facing individuals seeking public services.

The Re-Envisioning document insists “the city workforce system requires a method for determining both the level of need and the financial eligibility of those individuals requesting services...The assessment tool should be uniform across all programs and be able to be administered by any authorized stakeholder in the system—public, private or nonprofit. The tool should be as simple as possible to measure accurately only those factors that the workforce system is designed to address.”

In looking at how other cities have addressed this issue, their answers on the electronic survey offered few models:

- None of the cities that responded have such a capacity.
- 25% reported that they did have an assessment system, but a closer look at their answers revealed that their assessments were not as robust as recommended in the Re-Envisioning document.
  - Albany, New York: The city can share information with other agencies that may be serving one of their customers with a signed waiver from the customer. Similarly, through their one-stop system, Providence, Rhode Island can share information with signed confidentiality statements.
  - Pasadena, California: They had tackled a universal assessment system, but gave few details, and additionally reported that they hadn’t addressed confidentiality and data sharing issues.
- 70% said their city had not addressed this issue.
- 5% indicated that they did not have a universal assessment capacity, but were in the process of developing it.
  - Baltimore, Maryland: They stated that they “are in the process of having a regional 21st Century Job Readiness tool kit which will include a strong assessment instrument which will [hopefully] be used as a common instrument the system can use.”
**Assessment Technology:** The *Re-Envisioning* document states that assessments must “be able to be administered by any authorized stakeholder in the system,” and that they should travel with the customer to avoid reassessing and duplication.

The respondents to the electronic survey indicated they are using the following assessment products:

- 25% were using Work Keys
- 10% were using Work Keys and Prove It
- 10% were using Work Keys and other computerized tools
- 5% were using Work Keys, Prove It, and other computerized tools
- 10% were using Prove It
- 20% were using Prove It and other computerized tools
- 20% were using other computerized tools

**Addressing uniform assessment in a city as large and complex as New York City:** A nationally known workforce consultant equated the existing system of physical one-stop centers to the strategy of 20th century Big Box stores in an online shopping world. He said the technology now exists to add additional online access structures. In Philadelphia they are branding their effort as “Clicks…Bricks…and Connections.” This seems to capture the vision of what the Workforce Strategy Group had in mind for universal assessment.
A universal data system to monitor public and philanthropic investments

Build a universal data system to monitor the public and philanthropic investments made in any individual or business receiving resources from the system.

At the heart of the Re-Envisioning document recommendations is “an outcome-driven reimbursement system will require not only the common metrics called for earlier in the report, and the universal assessment tool recommended above, but also a dedicated commitment to a citywide data system to track that information. Such a system would track public and philanthropic investments in both jobseekers/workers and participating businesses and, therefore, not only help hold accountable the workforce intermediaries and their subcontractors, but also the individuals and employers who are benefitting from scarce public investments.”

THE FLORIDA MODEL: FLORIDA EDUCATION AND TRAINING PROGRAM (FETPIP)

For many years, the gold standard has been the Florida Education and Training Program. The information and long-term analytic abilities that Florida has is enviable.

- What is FETPIP? FETPIP is a data collection and consumer reporting system established by Florida Statutes Section 1008.39 to provide follow-up data on former students and program participants who have graduated, exited or completed a public education or training program within the State of Florida. The statute requires all elements of Florida’s workforce development system to use information provided through FETPIP, for any project they may conduct requiring automated matching of administrative records for follow-up purposes.

A major goal of Florida’s K-20 Education system is to improve employment and earnings outcomes for all students. This information is part of the performance accountability processes for all parts of the K-20 system and serves as an indicator of student achievement and program needs. It helps educators and parents better prepare and counsel students for success in their future education or career choices.

- Is Florida still the gold standard today? John Dorrer has long been the labor market information guru for the United States. Recently retired as a Senior Advisor to Jobs for the
Future, Dorrer said in a telephone interview, “At one time Florida was the shining star, but recently the State legislature has backed off on its funding levels.”

- **Confidentiality and Data Sharing:** There have been barriers to conducting a genuine evaluation in New York State for quite some time. In June 2013, greater access to UI wage data for program evaluation was granted. Nevertheless, the ability of oversight agencies to share data across the universe of providers is still limited.

Florida overcame that issue in state legislation, specifically Appropriation 351, Chapter 87-98, Laws of Florida. FETPIP must not make public any information that could identify an individual or the individual’s employer. The Department of Education must ensure that the purpose of obtaining placement information is to evaluate and improve public programs or to conduct research for the purpose of improving services to the individuals whose social security numbers are used to identify their placement.

- **Collegemeasures.org**\(^{15}\) has some interesting success metrics, Dorrer says. However, they only look at college outcomes not other training programs like Florida does.

- **Pennsylvania:** The state once worked with Deloitte consulting on common performance for WIA Title I, WIA Title II, the Employment Service, and Vocational Rehabilitation, but the system did not overcome all barriers and objections, and was never implemented.

- **Maine:** When Mr. Dorrer was the Director of Labor Market Information, he was able to move wage data out to all the one-stop partners. Dorrer took a liberal view. However, under the current administration this sharing of wage data is more limited.

In the electronic survey, respondent cities were asked if they had, or attempted to build a universal data system for workforce development. Responses indicated that:

- **85% answered no.**
- **15% said yes.** One gave no details; the other two are listed below.

  - **Fairfield, Connecticut:** Its Southwestern Regional Workforce Board, a.k.a. The Workplace, stated, “The WorkPlace has begun to work with a program called Efforts to Outcomes (ETO) by a company called Social Solutions. The ETO platform is fully customizable and scalable and the data that is captured using ETO auditable and attributable. Once the data is entered it can be analyzed to assess progress and make evidence based decisions about how to adjust service to optimize performance.” Specifically, ETO can help:
    - Identify which of efforts, services, staff and programs are most effective at achieving desired outcomes
    - Identify and track key trends
    - Monitor participant attendance
- Manage and analyze participant demographic data
- Analyze assessment results
- Manage referrals
- Maintain a comprehensive history of participant information.

- **Cincinnati-Hamilton County, Ohio:** They stated that, “Again it is not the city, but the regional workforce partnership has been using the GStars system by AGS for United Way agencies, WIBs and one-stops in order to be able to report to the community on investments and results.”

The National Skills Coalition\(^{16}\) has additional information on what some other states are doing.
A more robust labor-market data capacity

Support citywide capacity to refine and apply labor market data for all key employment sectors.

The Re-Envisioning document states, “Improved information technology now provides ‘real time’ labor market data, which is essential for a re-envisioned workforce system that can rapidly respond to changes in the local economy. We are encouraged by the work of the New York City Labor Market Information Service (LMIS), based at the Center for Urban Research at the City University of New York.

We believe that additional investments in the LMIS would be of great value to strengthen the planning and response capacity of workforce intermediaries...allowing them to pinpoint more accurately which occupations are, and will be, in demand.”

This Re-Envisioning recommendation asserts, “each workforce intermediary should receive financial support within its global payment formula to pay for the staffing necessary to interpret the formal labor market data through the informal lens of local context in order to craft more targeted, effective intervention strategies.”

- John Dorrer said that NYC LMIS/ CUNY is one of the three bright spots in the United States for local LMI shops (the other two are Pittsburgh and San Diego.)

- Mr. Dorrer outlined the challenges in the same way as the Re-Envisioning document. He listed the four challenges as:
  - First, how to provide real time LMI;
  - Second, how to buy systems at a good and fair price;
  - Third, how to integrate that data with traditional LMI shops; and
  - Fourth, how to train people (in workforce agencies) to apply the analytics.

- Wage Data Sharing: Mr. Dorrer says that three states are still resisting full sharing of wage data—New York, New Hampshire, and Massachusetts.
• Lesley Hirsch’s LMIS/ CUNY shop has expertise on real-time LMI and, in fact, they do national webinars on the subject. When interviewed for this project, Hirsch was asked what she would do if she had a magic wand. She replied, “Every workforce organization in New York City would have readily available [LMI] data and know how to use it.”

• **What real time products are currently being used?** While it is not our role to recommend specific vendor’s products, we did ask workforce professionals with expertise and experiences what they used or considered a good product and what were that product’s limitations, if any. The following list would enable the de Blasio Administration to further explore product abilities and value proposition:
  
  – Some places use **Geo Solutions**. One complaint that would have to be investigated is that users cannot run their own queries; they must ask Geo Solutions to do so.
  
  – The **Northern Virginia WIB** and **Riverside County, California** both use **Monster.com**.
  
  – **EMSI & Burning Glass** received high praise. In fact, **Jobs for the Future** with funding from J.P. Morgan Chase, will be embarking on a project to see how five cities integrate EMSI-Burning Glass with the local LMI shops.
The New York City Workforce Strategy Group hopes that the research on the *Re-Envisioning* recommendations will prove useful to the de Blasio Administration as it looks to re-structure its $400 million investment in workforce development. The wise use of these resources will help meet the goal of connecting low-income residents to jobs that pay enough to support their families. At the same time, employers will be able to find jobseekers with the skills they need to grow and expand their businesses.

Using these hard-earned lessons from the experiences of other major cities and states can help focus efforts on the most urgent structural changes needed to re-envision New York City’s workforce development system. Once those structural changes are in place, then this document’s implementation findings could prove useful in addressing the labor market challenges facing both employers and jobseekers.
John Twomey got his start in workforce development working with young people involved in the criminal justice system in the Bronx, New York City. The community-based organization John worked for was named a model program by the Center for Delinquency Prevention at the University of Seattle, as well as the New York City Youth Bureau. Later John administered an adult employment center in the Bronx. During the three years that John was the director, that center ranked number one in placing people into jobs every month among the centers in New York City.

John Twomey became the director of New York State’s workforce association, NYATEP, in 1987. During his tenure, NYATEP became the most respected workforce association in the country. John also served as President of the National Workforce Association for 5 years. He was also a member of the Leadership Council of the National Skills Coalition, a member of the U.S. Conference of Mayors Workforce Development Council, and a member of the National Association of Counties Board of Directors. Since January 2012, John has been the principal of John A. Twomey and Associates, a workforce consulting organization.
Endnotes |

1. Re-Envisioning the New York City Workforce System, pg. 12


3. Re-Envisioning the New York City Workforce System, pg. 26

4. List of SkillWorks funders here: http://www.skill-works.org/funders.php

5. On January 1, 2014 a new mayor took office; Ms. Doty’s last day as Director of the Mayor’s Office of Jobs and Community Service was January 17, 2014.

6. Re-Envisioning the New York City Workforce System, pg. 27


10. Re-Envisioning the New York City Workforce System, pg. 19

11. Re-Envisioning the New York City Workforce System, pg. 22

12. The New York City Workforce Strategy Group is not endorsing any specific assessment technology product but is only reporting what other cities are using.

13. Re-Envisioning the New York City Workforce System, pg. 23


17. Re-Envisioning the New York City Workforce System, pg. 25

18. Re-Envisioning the New York City Workforce System, pg. 25
Visit [www.reenvisionworkforcenyc.org](http://www.reenvisionworkforcenyc.org) to download the full *Re-Envisioning the New York City Workforce* document and for updates on this initiative.

For more information, contact [info@reenvisionworknyc.org](mailto:info@reenvisionworknyc.org) or 212.229.0540.

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