

# A NEW WAY FORWARD

Bold Actions to Reshape  
New York's Labor Market

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**SEPTEMBER  
2020**

**NYS WORKFORCE  
STRATEGY GROUP**



**INVEST IN  
SKILLS NY**

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# NYS WORKFORCE STRATEGY GROUP

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Invest in Skills NY is a statewide partnership that understands the economic imperative of investing in a skilled workforce for New York State.

Led by the New York Association of Training & Employment Professionals and JobsFirstNYC, it aims to make workforce development an economic priority and achieve policy change that streamlines the workforce development system through significant, sustained state and local investment. Invest in Skills NY partners with the NYC Employment and Training Coalition on NYC-based efforts.

To learn more about Invest in Skills NY or this report, visit [www.invest-in-skillsny.org](http://www.invest-in-skillsny.org)

# Executive Summary

The unexpected and severe global pandemic has shaken New York's economy; decimating a decade's worth of employment gains throughout the state. Earlier this year as sectors were booming, millions of New Yorkers found themselves in low wage work, holding multiple jobs or unable to get ahead as they lacked opportunity or the skills needed for a better job. Of the top ten occupations in 2019, accounting for nearly 2 million jobs, 9 out of 10 paid less than \$32,000.<sup>1</sup> The vast majority of these jobs are in sectors impacted by a surge in layoffs related to COVID-19 and disproportionately affecting the livelihoods of people of color, women, and young adults.<sup>2</sup> This includes retail salespersons, food prep workers, waiters and waitresses, cashiers, and office administrative roles, among others. As of the week ending September 19, 2020, 3.8 million New Yorkers have made an initial claim for Unemployment Insurance with over a half a million from Accommodations and Food Service alone.<sup>3</sup>

During the last downturn, even as the economy improved, it did not improve for everyone equally. Following the Great Recession, nationally workers with a bachelor's degree or higher gained over 8.4 million jobs in the recovery, whereas those with a high school diploma or less gained a mere 80,000.<sup>4</sup> Over the last three years, in New York the percentage of people that have a high school diploma or less has inched upwards to 42% of people (5.65 million), and of those who completed less than a high school diploma, nearly half never made it past 9th grade.<sup>5</sup> There is no indication that this time around the recovery will be any different, therefore it is critical that we focus our efforts on dramatically increasing the number of New Yorkers with the skills and postsecondary credentials necessary for re-employment and family sustaining wages.

As reported by the Brookings Institution, "Out of nearly 200 metropolitan areas that together house 80% of the U.S. population, exactly zero managed to grow their economies, raise standards of living, and reduce gaps by income, race, and place consistently from 2008 to 2018."<sup>6</sup> While the challenges ahead are daunting, this crisis has afforded New York a window of opportunity, and an imperative, to act by taking deliberate, bold and transformative action to reshape our labor market, as New Yorkers return to work.

*Due to the State's dependence on low wage work, too many New Yorkers have struggled to make ends meet. The United Way of New York estimates that 45% of New Yorkers are "working poor" unable to cover basic monthly costs of food, childcare, transportation, housing, etc.<sup>7</sup>*

## NYS WORKFORCE STRATEGY GROUP APPROACH

To address these persistent labor market issues and support an equitable economic recovery, Invest in Skills NY convened the NYS Workforce Strategy Group to develop immediate (by the end of 2021), short-term (by the end of 2023) and long-term action steps (by the end of 2025) prioritizing actions that:

- 1. Stabilize the economy and get New Yorkers back to work**
- 2. Increase the pipeline of New Yorkers ready for work when the economy rebounds**
- 3. Rebuild, rethink, and reform New York's educational, postsecondary and employment pathways and economic development approach**

Using the above as a guide, the NYS Workforce Strategy Group engaged local and national networks, and experts, and consulted best practice research to compile the following action steps for consideration by the Governor and state policymakers.

# NYS Workforce Strategy Group Approach

From now until 2025, the NYS Workforce Strategy Group recommends the pursuit of a combination of policy, funding, and structural changes that in total will lead to better outcomes for businesses and New Yorkers. It should also be noted that the current state budget constraints were considered in developing these actions. To accelerate progress in addressing these issues this effort cannot solely be undertaken by government leaders, therefore we urge a collaborative approach to enable business leaders, workforce experts and providers, labor unions, postsecondary institutions, among others to tackle this work together.



## STABILIZE THE ECONOMY AND GET NEW YORKERS BACK TO WORK

### IMMEDIATE ACTIONS Stabilize New York's Economy by 2021

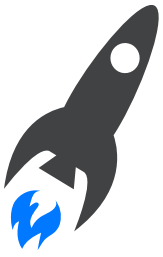
- » Utilize CARES Act funding to launch a \$25 million Small Business Wage Subsidy Program to sustain and increase employment opportunities for 2,500 small businesses, specifically targeting communities with a high reliance on small business and communities of color.
- » Establish a six month, 100% income disregard for New York's public assistance recipients participating in publicly funded workforce and postsecondary programs, and employment opportunities.
- » Expand income deferral for low income working New Yorkers and enable employers to contribute to worker asset accumulation to increase employee retention.
- » Redirect \$20 million in federal Workforce Innovation and Opportunity Act Governor's discretionary and Rapid Response Funding to increase the availability of "work supports" under existing federal- and state-funded programs to address childcare, transportation, housing, food security, and technology needs of New Yorkers.
- » Maximize the federal 50/50 match and shift the SNAP Employment and Training Venture program to a cost-reimbursement structure to increase the number of New Yorkers served.

### SHORT-TERM ACTIONS Accelerate Employment by 2023

- » Design and implement a comprehensive strategy targeting at risk in-school, out-of-school and vulnerable youth across the state to increase educational attainment, access to work experience, social & emotional growth, and employment.

### LONG-TERM ACTIONS Transform New York's Workforce by 2025

- » Explore establishing a statewide broadband and high speed internet access program for low income New Yorkers to be administered through the New York State Broadband Office.



# INCREASE THE PIPELINE OF NEW YORKERS READY FOR WORK WHEN THE ECONOMY REBOUNDS

## IMMEDIATE ACTIONS Stabilize New York's Economy by 2021

- » Increase the overall volume of subsidized adult basic education, job training and employment opportunities funded by the Workforce Innovation and Opportunity Act and Temporary Assistance for Needy Families.
- » Adapt State policy interpretation for federally-funded programs to allow for the purchase of computers, software and high speed internet for participants as "tools" for education and employment, and increase access to digital literacy in New York.
- » Convene a taskforce to explore opportunities to increase work-based learning and apprenticeship pathways for young adults working towards high school completion or as a viable postsecondary pathway.



### WHAT IS THE WORKFORCE SYSTEM IN NEW YORK?

The workforce system includes the education, job training, postsecondary and employment providers that work in partnership with the business community to assist millions of New Yorkers gain a high school equivalency, literacy and numeracy skills, job readiness, technical training and postsecondary credentials to access a job, and upskill in current positions.

## SHORT-TERM ACTIONS Accelerate Employment by 2023

- » Dedicate \$5 million annually in federal Workforce Innovation and Opportunity Act funding to support regionally-driven, industry-led career pathways development to increase talent pipelines for jobs in demand.
- » Establish a common policy at SUNY and CUNY for prior learning and experiential credit; including recognition of military service, foreign credentials and certifications to increase postsecondary attainment.

## LONG-TERM ACTIONS Transform New York's Workforce by 2025

- » Establish a "credential passport" that enables students and participants in the pathways across CTE; BOCES; publicly funded job training programs; and non-credit workforce and credit bearing programs at SUNY and CUNY to transition seamlessly from institution to institution without accumulating excess credit.



# REBUILD, RETHINK, AND REFORM NEW YORK STATE'S EDUCATIONAL, POSTSECONDARY AND EMPLOYMENT PATHWAYS AND ECONOMIC DEVELOPMENT APPROACH

## IMMEDIATE ACTIONS

### Stabilize New York's Economy by 2021

- » Dedicate \$1 million in federal Workforce Innovation and Opportunity Act Administrative funding to adequately staff the NYS Office of Workforce Development.
- » Reinvent the role of the State Workforce Board to establish a compelling statewide vision anchored in equity and opportunity for New Yorkers. Develop dynamic performance goals to accurately measure progress as New Yorkers reconnect to skills, work and economic mobility.
- » Require coordination between Empire State Development and the NYS Department of Labor, to develop metrics that communicate the mix of employment opportunities regionally, including but not limited to: number of full- and part-time jobs, job retention, wages and wage growth over time, economic mobility and employer investment in worker upskilling, and variation by industries.
- » Allow for 10% of contract funding to be attributed to administrative expenses for workforce program contracts, enabling workforce entities to adequately staff programs to meet the needs of the business community and New Yorkers.

## SHORT-TERM ACTIONS Accelerate Employment by 2023

- » Utilize existing resources to establish an economic development incentive administered by Empire State Development to recruit, expand and retain quality jobs and certify businesses that participate.
- » Be a national leader for workforce data by investing \$10 million of federal Wagner Peyser funding for an integrated data system that enables workforce professionals to effectively share and manage programs and performance.
- » Annually invest \$1 million of federal Workforce Innovation and Opportunity Act State Set Aside funding in front-line staff professional development provided by effective local providers.

## LONG-TERM ACTIONS Transform New York's Workforce by 2025

- » Invest \$10 million annually through Empire State Development in a multi-year talent attraction and retention strategy to showcase New York's regional career pathways via "I Love New York Jobs" as a tool to recruit, retain and expand New York's talent pipeline for the business community.
- » Explore the development of a consistent revenue source to fund workforce development, job training, and employee retention in New York.
- » Explore the issuance of General Obligation Bonds for workforce development to upgrade facilities, technology at community colleges, non-credit programs, and entities such as, BOCES, public libraries, and local one stop career centers to ensure 21st century access to technology and facilities.



## STABILIZE THE ECONOMY AND GET NEW YORKERS BACK TO WORK

**A**s the state turns its attention to the reemployment of the nearly 5 million New Yorkers receiving unemployment insurance or pandemic unemployment assistance, it must respond to the immediate issues related to New Yorker's income security and the survival of the small business community. These immediate concerns must be coupled with the ongoing and increasing needs for crucial work supports like childcare, housing, food security, transportation and reliable broadband.





## Stabilize the Economy and Get New Yorkers Back to Work



### PROVIDE CRUCIAL SUPPORT TO SMALL BUSINESSES

Prior to March, in New York there were over 2 million small businesses (99% of businesses) employing 4 million people (50% of the labor market).<sup>8</sup> Statewide economic shutdowns, and staggered reopening due to COVID-19, has caused many small businesses to reduce their employee headcount.<sup>9</sup> Aside from the New York Forward Loan Fund to provide assistance for lost rental income, there are limited resources currently provided to stabilize employment at businesses with less than 20 employees.

**ACTION BY 2021:** Launch a \$25 million Small Business Wage Subsidy Program to sustain and increase employment opportunities for 2,500 small businesses, specifically targeting communities with a high reliance on small business and communities of color.

Utilizing federal CARES Act Funding awarded to the State, the Governor should launch a Small Business Wage Subsidy program to enable 2,500 small businesses to stabilize existing employment and increase rehiring of employees. Existing examples can be found throughout the U.S. and internationally. For example Canada has developed an Emergency Wage Subsidy program that enables a small business to rehire workers with 75% of the wages subsidized for up to 6 months.<sup>10</sup> In Charlotte, North Carolina the Access to Capital program will provide \$30 million to small businesses, administering grants of \$10,000 to businesses with five or fewer employees and \$25,000 to businesses with six to 25 employees.<sup>11</sup> New York should follow their lead, administering the program through Empire State Development and local business intermediaries.

### RESPOND TO IMMEDIATE NEEDS OF LOW INCOME WORKING NEW YORKERS

In New York and across the country, unemployment benefits and pandemic unemployment assistance are helping millions of people make ends meet, however those who were unemployed or working in temporary or unstable employment prior to COVID-19 will struggle to re-enter the workforce. This summer, the Center on Budget and Policy Priorities found a sharp increase in families facing serious economic hardship, including difficulty paying rent or purchasing food.<sup>12</sup> Prior to COVID-19, 38% of New Yorkers receiving Supplemental Nutrition Assistance Program (SNAP) were from working families. As of June 2020, 2.6 million New Yorkers are receiving SNAP and just over 500,000 are receiving Temporary Assistance, and based on current work participation rates 18% of recipients are participating in work.<sup>13</sup> New Yorkers need to get back on their feet as they re-enter the workforce, and there are realistic solutions to help mitigate the impact of earnings gains on “the benefits cliff.”<sup>14</sup>

**ACTION BY 2021:** Establish a six month, 100% income disregard for New York’s public assistance recipients participating in a publicly funded workforce and postsecondary programs and employment opportunities.

To increase work participation and decrease poverty of low income workers, the Governor should amend the Social Services Law, Article 5, Title 1, Section 131-A to allow for a six month, 100% income disregard for public assistance recipients who are participating in publicly funded workforce, postsecondary and employment opportunities.<sup>15</sup> In pilot programs launched by the New York City Human Resources Administration, public assistance recipients are connected to private sector and public sector subsidized employment and receive work readiness, job training and wrap around work supports. The participants earn wages over the course of six months, with no negative impact to their benefits. Around half of the participants, who would have otherwise remained unemployed, have connected to unsubsidized work. This is not unprecedented, in 2018 Massachusetts legislated a 100% income disregard for a six month period to eligible welfare recipients.<sup>16</sup> New York could do the same helping hundreds of thousands of New Yorkers obtain skills, to work and build a safety net.



## Stabilize the Economy and Get New Yorkers Back to Work



# 45%



The United Way of New York estimates that 45% of New Yorkers are “working poor” unable to cover basic monthly costs of food, childcare, transportation, housing, etc.

**ACTION BY 2021:** Expand income deferral opportunities for low income working New Yorkers and enable employers to contribute to worker asset accumulation to increase employee retention.

The United Way has reported that 14% of New York households in 2018 were living below the Federal Poverty Level and another 31% were ALICE: Asset Limited, Income Constrained, Employed, which equates to working poor.<sup>17</sup> The working poor struggle to meet economic self sufficiency, in part due to their inability to accumulate wealth while on public assistance. In 2015, New York launched NY ABLE accounts to encourage financial support for individuals with disabilities to maintain health, independence and quality of life, without adverse effects on their benefits.<sup>18</sup> These funds are held in a separate account, and are exempt from tax on its earnings and distributions, provided the funds are used to pay for qualified disability expenses. In another example, Massachusetts proactively passed An Act to Foster Economic Independence, which was signed into law as Chapter 158 of the Acts of 2014.<sup>19</sup> This incorporated significant reforms to the state’s Transitional Aid to Families with Dependent Children program to allow clients to accumulate assets beyond \$5,000 to support the transition off of public assistance. The accounts are modeled after similar asset-building accounts, namely Individual Development Accounts and Individual Asset Accounts.

To enable working poor New Yorkers to build financial security and transition off of public support the Governor should amend the Social Services Law, Article 5, Title 1, Section 131-N to allow for New Yorkers to defer their income and to allow their employers to contribute to the accounts to support their health, financial independence and quality of life, without adverse effects on their benefits.<sup>20</sup>



## Stabilize the Economy and Get New Yorkers Back to Work



### INCREASE ACCESS TO OPPORTUNITY ACROSS NEW YORK

In an effort to close the opportunity gap across New York, the state will need to significantly increase access to high quality education, job training, postsecondary and employment opportunities. This unfortunately comes at a time where New York is facing severe budget constraints. Therefore to achieve these goals, New York must maximize the existing federal funding; address areas inhibiting access and wage growth; and knit together systems supporting the most vulnerable New Yorkers and business community.

**ACTION BY 2021:** Redirect \$20 million in federal Workforce Innovation and Opportunity Act Governor’s discretionary and Rapid Response Funding to increase the availability of “work supports” under existing federal- and state-funded programs to address childcare, transportation, housing, food security, and technology needs of working New Yorkers.

The network of education, job training, postsecondary and employment providers’ immediate goals are to stabilize, prepare and connect jobseekers to work, as well as support employers as they attract and retain talent. The COVID-19 crisis has underscored the need to immediately address worker hardships, and the need to support the transition back to employment. Millions of New Yorkers have lost their paychecks and savings, and therefore are calculating the costs of childcare, technology, transportation, etc. which need to be in place to return to work and keep the job.

The Governor should redirect existing federal and state funding to expand access to “work supports” for low income and unemployed New Yorkers. In California, the Governor directed \$10 million of federal Workforce Innovation and Opportunity Act discretionary funding to Local Workforce Development Boards to provide childcare, housing, and utility assistance, and transportation costs, to underserved populations, particularly English Language Learners.<sup>21</sup> California additionally redirected \$7.8 million of federal Workforce Innovation and Opportunity Act Rapid Response funding, through Local Workforce Boards to local service providers, to help workers and businesses in industries most impacted by COVID-19 including entertainment, hospitality, travel and leisure. In addition to job matching services, these funds were used to defray the cost of child care, utility assistance, rent, clothes, and transportation/fuel costs. We encourage the Governor to utilize the State’s authority under the Workforce Innovation and Opportunity Act, as well as other federal and state funding streams to redirect \$20 million to expand access to work supports for New Yorkers.





## Stabilize the Economy and Get New Yorkers Back to Work



**ACTION BY 2021:** Maximize the federal 50/50 match and shift the SNAP Employment and Training Venture program to a cost-reimbursement structure to increase the number of New Yorkers served.

New York is leaving money on the table by not maximizing the federally funded SNAP Employment and Training (SNAP E&T) program. States can utilize SNAP E & T formula-based federal program grants for administrative functions, as well as use 50 percent reimbursement grants (50-50 funds) to increase program scope, capacity, and sustainability. Through 50-50 funds, the federal government reimburses states for 50 percent of SNAP E&T program costs paid for with non-federal dollars. In addition to supporting education and training activities, 50-50 funds can also be spent on work supports, including transportation, books and supplies, and child care.<sup>22</sup>

In New York, the SNAP ET Venture Program (Venture), and the SNAP E&T 50/50 program facilitates intense employment services by reimbursing 50 percent of all state, local and private funding spent on employment services for SNAP participants. By coupling food assistance and employment services, service providers and the NYS Office of Temporary Disability Assistance (OTDA) have a greater impact on people's lives by helping to address both of these needs and ultimately making participants more successful.

When the Venture program is up for renewal in FY 21, OTDA should shift to a cost-reimbursement structure to align with Employment and Training components and make modifications to ease the SNAP reverse referral process. Adjusting to a cost-reimbursement structure allows providers to increase the number of SNAP recipients obtaining work experience, job training and support services, like digital literacy, tools and transportation needed for work. Increasing the number of participants will enable OTDA to draw down additional "50/50 match" funding from the federal U.S. Department of Agriculture Food and Nutrition Service, thereby increasing the funding coming to the state.<sup>23</sup>

**ACTION BY 2023:** Design and implement a comprehensive strategy targeting at risk in-school, out-of-school and vulnerable youth across the State to increase educational attainment, access to work experience, social & emotional growth, and employment.

Prior to COVID-19 the youth unemployment rate in New York State hovered around 20.7% for ages 16 to 19 and 11.6% for ages 20 to 24.<sup>24</sup> Additionally, the NYC Comptroller recently highlighted the alarming rise in the unemployment rate among young people, ages 16 to 24 in New York City to 35.2% from its pre-pandemic rate of 6.6%.<sup>25</sup> High unemployment for young people further exacerbates growing economic inequality, and millennials now facing their second economic downturn are being hailed as the "lost generation."<sup>26</sup> As a critical pipeline for work, it is essential that New York focus on youth preparation, education, access to internships and work experience, as well as employment.

We strongly encourage the Governor to reimagine the systems specifically aimed at supporting the most vulnerable youth. Together State agencies, educational institutions, community-based providers and young adults should collaboratively identify the specific and significant barriers facing foster youth, at risk in-school and out-of-school, as well as young adults experiencing homelessness, engagement with the criminal justice system, and poverty. Ultimately the goal should be a reimagined, coordinated system that dramatically increases access to educational and postsecondary attainment, access to work experience, social and emotional growth, employment and career advancement.



## Stabilize the Economy and Get New Yorkers Back to Work



**ACTION BY 2025:** Explore establishing a statewide broadband and high speed internet access program for low income New Yorkers to be administered through the New York State Broadband Office.

The social distancing requirements of COVID-19, along with rapid industry changes, have accelerated the need for high-quality, accessible digital learning. COVID-19 has also put a spotlight on the dramatic digital divide facing students and workers, and the financial consequences and inequities of that divide. The Pew Research Center found that in 2019, “ The share of Americans who say they have broadband service at home has also risen slightly over the past year – from 65% in early 2018 to 73% today. But, compared with smartphone ownership there are more pronounced variations in broadband adoption across demographic groups. For example, 92% of adults from households earning \$75,000 or more a year say they have broadband internet at home, but that share falls to 56% among those whose annual household income falls below \$30,000.”<sup>27</sup>

Through the New NY Broadband Program the Governor has committed to provide grant funding for broadband expansion projects through the Connect NY Broadband Grant Program, and the Regional Economic Development Council Awards. Broadband expansion is not enough to ensure low and middle income New Yorkers have access to reliable, high speed broadband for digital and virtual learning and remote work. We strongly encourage the Governor to create a State subsidy program that makes high speed, reliable broadband free for low income households. In addition, the Federal Communication Commission’s LifeLine Program needs to be widely adopted across the State, and expanded to include the state’s cable and internet providers not currently participating.<sup>28</sup>





# INCREASE THE PIPELINE OF NEW YORKERS READY FOR WORK WHEN THE ECONOMY REBOUNDS

**A**s the Governor stated in his 2020 State of the State, “With private sector employment at a record high of 8.3 million, New York must continue to invest in upskilling and closing the skills gap as the economy continues to change at a record pace. The number of jobs estimated to be altered through workforce automation is estimated at over 4.8 million by 2037. This changing economy creates an opportunity for retraining and preparing people for new jobs that include clean energy jobs like technicians in both wind turbine technicians and solar energy, health care, cybersecurity and advanced manufacturing.”<sup>29</sup> The COVID-19 crisis will not eliminate the skills and opportunity gaps facing New Yorkers, it will accelerate it.

Prior to COVID-19, 7 out of 10 employers nationally reported difficulty hiring, and many good paying jobs remained open across New York and the U.S.<sup>30</sup> As the economy rebounds, employers will begin to hire and New Yorkers need to be ready.

In the immediate-term, New York needs to use current resources and potential new funding to expand existing effective programs. Additionally, as New York rebuilds, we must revisit and reform existing policies and laws that exacerbate the opportunity gap by creating unnecessary barriers to skills, that range from common policies related to prior learning assessment, increasing the pipeline for apprenticeship to scaling coordination across workforce and educational institutions.



## Increase the pipeline of New Yorkers ready for work when the economy rebounds



### INCREASE ACCESS TO OPPORTUNITY ACROSS NEW YORK

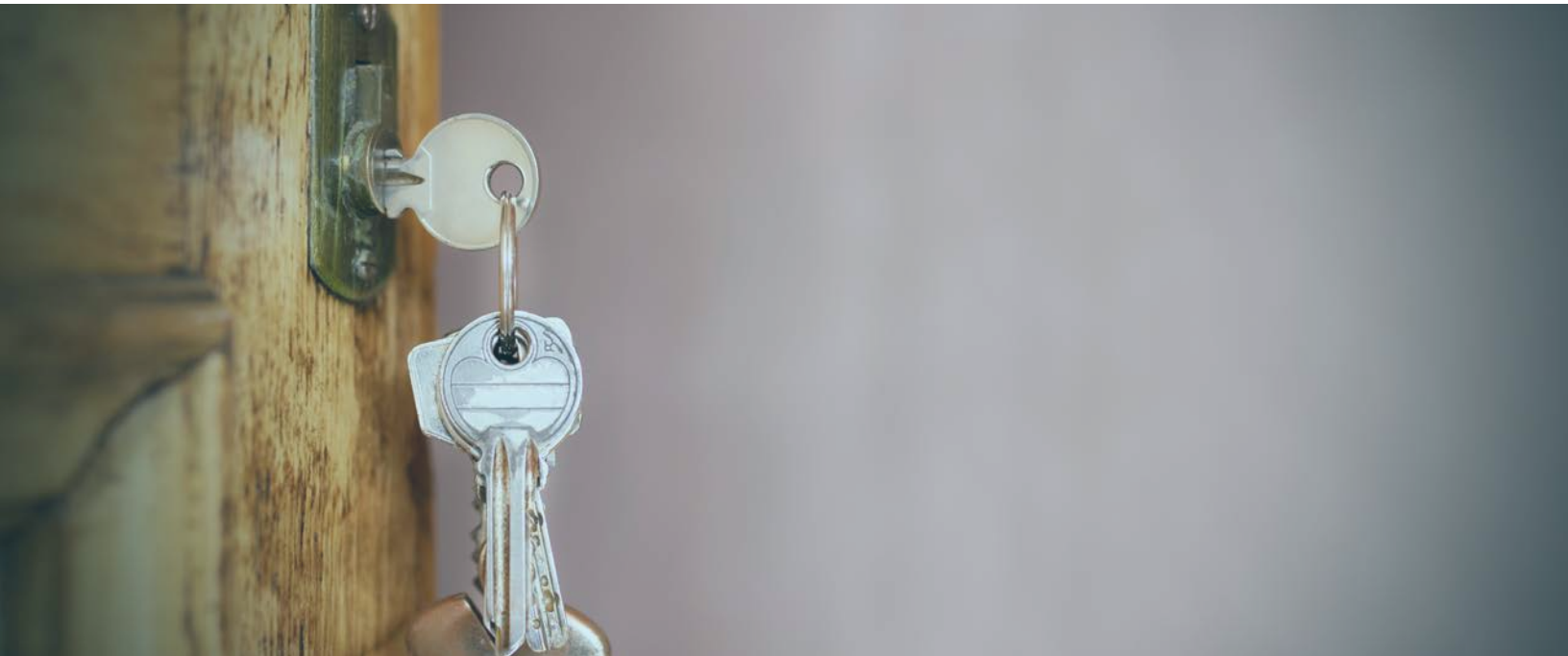
In an effort to close the opportunity gap across New York, the state will need to significantly increase access to high quality education, job training, postsecondary and employment opportunities. This includes addressing “man made” policy barriers that inhibit access and completion; scaling up work experience and training programs in demand sectors, and increasing regional coordination to expand equity and opportunity across New York’s postsecondary and workforce institutions.

**ACTION BY 2021:** Increase the overall volume of subsidized adult basic education, job training, work experience and employment opportunities funded by the Workforce Innovation and Opportunity Act and Temporary Assistance for Needy Families.

Many New Yorkers who are currently unemployed will not have jobs to return to immediately. Hard hit sectors including retail, accommodations and food service and personal services will come back on line slowly as they contend with health and safety requirements during COVID-19. The Bureau of Labor Statistics reports that as of July, there were 2.5 unemployed New Yorkers for every job opening.<sup>31</sup>

As New Yorkers upskill and prepare to return to work, many will not have additional resources to pay for training and/or will need a wage immediately. This underscores the local workforce system’s need for flexibility in providing literacy, adult basic education, job training, internships and work experience, and work supports to assist employers as they attract and retain talent. We encourage the Governor to utilize new federal grant funding and existing Workforce Innovation and Opportunity Act and Temporary Assistance for Needy Families funding, to enable workforce providers to scale up subsidized programs.

Under the American Recovery and Reinvestment Act (ARRA) New York received around \$105 million for workforce services funded by the Workforce Investment Act, and the federal government launched \$750 million in competitive grant programs for states to propose solutions for green jobs, sector partnerships, to develop pathways out of poverty, and improve statewide data systems.<sup>32</sup> The State must begin to collaboratively plan for this potential funding now. Based on the workforce’s experience under ARRA, funding must be directed to local communities to expedite the programming and meet local needs.





## Increase the pipeline of New Yorkers ready for work when the economy rebounds



### MODIFY EXISTING STATE POLICY AND LAWS

The Governor, State Legislature and State Agencies have the opportunity to advance economic opportunity by revisiting state policies and laws that are inhibiting New Yorkers from participating in workforce development programs, postsecondary education or employment. Additionally, as more employers get excited about supporting and sourcing candidates from the local workforce system, the state's ability to work alongside employers to meet their needs, while supporting and advancing equity and inclusion will be essential as the economy rebounds.

**ACTION BY 2021:** Adapt State policy interpretation for federally-funded programs to allow the purchase of computers, software and high speed internet for participants as “tools” for education and employment, and increase access to digital literacy in New York.

In addition to increasing access to broadband, New York must increase access to the “tools” necessary for New Yorkers to work and learn, including computers, software, etc. and address the overarching digital literacy needs of New Yorkers. The Organization for European Economic Cooperation has highlighted that 32 million adults in the U.S. lack basic digital literacy. Additionally, when coupled with the existing challenge in providing resources for hardware, software and internet access for participants in federally funded workforce programs, New York is further exacerbating inequity and lack of opportunity, as millions of people cannot tap into the digital world.<sup>33</sup>

The Council on Foreign Relations put it best, “Accelerating technological change, including automation and advances in artificial intelligence that can perform complex cognitive tasks, will alter or replace many human jobs. While many new jobs will be created, the higher-paying ones will require greater levels of education and training. In the absence of mitigating policies, automation and artificial intelligence are likely to exacerbate inequality and leave more Americans behind.”<sup>34</sup> At a minimum, as more and more New Yorkers grapple with technology becoming central to how they learn and work, the investment into digital literacy, or New Yorker’s “ability to use hardware, software, the Internet to locate, evaluate, use and create information”<sup>35</sup> must be considered. We strongly encourage the State to work in collaboration with technology-based training providers and industry leaders to provide digital learning guidelines for all New Yorkers participating in education, job training or workforce programming.

Additionally, to expand access to hardware and software, we encourage New York State agencies to take a broad interpretation of the federal OMB Circular's Uniform Guidance at 2 CFR 200.302 and § 200.303 that requires that all funds, property, and other assets be safeguarded against loss from unauthorized use or disposition.<sup>36</sup> In practice, this means that computers and software purchased are often required to be returned following training or program enrollment. We recommend that all hardware and software, below \$1,000, is not considered assets of the workforce or educational programs, instead should be treated in the same manner as the purchase of tools, textbooks, and other essential items to a participant's connection to education and work.





## Increase the pipeline of New Yorkers ready for work when the economy rebounds



**ACTION BY 2023:** Convene a taskforce to explore opportunities to increase work-based learning and apprenticeship pathways for young adults while students work towards their high school completion or as a viable postsecondary pathway.



Youth who have completed an apprenticeship program have averaged \$42,000 in annual earnings, compared to \$33,600 for all 22-26 year olds.

Young adults are a pool of untapped talent employers can leverage to meet their current and future demands. Structured youth work experience, including pre-apprenticeship, registered apprenticeship and career and technical education (CTE) are a means of addressing the skills and opportunity gaps that have persisted across New York. Per the American Association for Career and Technical Education, “the average high school graduation rate for students concentrating in CTE programs is 93 percent, compared to an average national freshman graduation rate of 80 percent.”<sup>37</sup> Youth who have completed an apprenticeship program have averaged \$42,000 in annual earnings, much higher than the \$33,600 average for all 22- to 26-year-olds in the U.S. and 1.5 times the average earnings (\$27,900) of 22- to 26-year-olds with a high school diploma but no bachelor’s degree.<sup>38</sup> In Iowa, like most other states across the United States, young adults can register in an apprenticeship program as early as the age of 16 supporting young adults transition to meaningful career pathways while they complete high school.

Through initiatives like the Finger Lakes Advanced Manufacturers Enterprise (FAME) 5% Pledge, employers are committed to working closely with local high school schools to expand youth work experience.<sup>39</sup> In addition, entities such as Here to Here and CareerWise NY are aiming to expand work-based learning and apprenticeship, respectively, focused on growing NYC industries, such as IT, financial services, and business operations.<sup>40</sup> Unfortunately, workforce programs and businesses continue to grapple with policies and practices that inhibit their ability to recruit and train young adults. Several consistent issues include the number of hours a minor may work per day and per week, licensure requirements and the lack of clarity related to recruiting young adults under 18 years of age or over 18 year of age without a high school diploma into registered apprenticeship programs. For example, students engaged in work-based learning programs are now required to shuttle back and forth between an employer and school the same day, instead of block scheduling school 2 - 3 days per week and work experience the remainder of the week, saving time, money and allowing students to focus.

To advance youth apprenticeship and work-based learning in New York, we strongly encourage the Governor to convene a task force aimed at identifying and eliminating the policy barriers to recruiting and supporting young adults in work-based learning and apprenticeship, while enrolled in high school or postsecondary education.



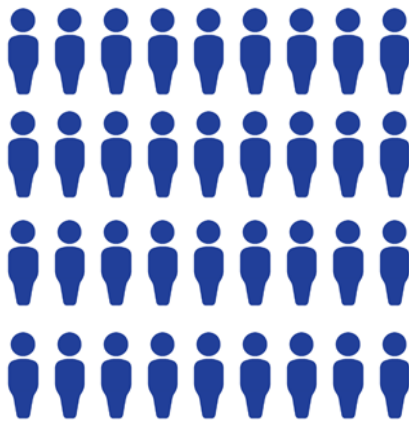
## Increase the pipeline of New Yorkers ready for work when the economy rebounds



### INCREASE THE NUMBER OF NEW YORKERS WITH CREDENTIALS

In a recent National Student Clearinghouse report it was found that 36 million Americans left college without a credential.<sup>41</sup> Education plays a crucial role in creating equity. As described by the Brookings Institution, without access to career exposure, high quality education and training and professional networks, people of color are unable to advance to higher wage jobs and careers.<sup>42</sup>

**ACTION BY 2023:** Dedicate \$5 million annually in federal Workforce Innovation and Opportunity Act funding to support regionally-driven, industry-led career pathways development to increase talent pipelines for jobs in demand.



 = 1 MILLION

36 million Americans left college without a credential.

Career Pathways align educational offerings with business needs by engaging businesses in the development of educational programs up front. Additionally, career pathways systems transform the role of employers from a customer to a partner and co-investor in the workforce ecosystem. In 2016, the U.S. Department of Labor’s Employment and Training Administration produced a comprehensive guide on the development of career pathways for the workforce system, which should serve as New York’s model for career pathways development.<sup>43</sup> We strongly encourage the Governor and NYS Department of Labor to allocate \$5 million annually of federal Workforce Innovation and Opportunity Act (WIOA) funding to support the development of regional career pathways and sector strategies. These efforts convene regional stakeholders to identify: Key occupations in demand and wages; Occupational, literacy, technical and soft skills in demand over next 10 years; Gaps education and training opportunities; Opportunities to expand internships, work experience and earn and learn models, and microcredentials.<sup>44</sup> Additionally, collaborative career pathways models also address: Equity, low wage work and job quality; Credentials and licensure; Support the development of “high road employers” regionally; and Career awareness and academic readiness for key sectors, including standardized career counseling materials.

Under the federal WIOA the NYS Department of Labor and the NYS Department of Education submitted a plan to the federal government, indicating that career pathways and sector strategy development is a priority.<sup>45</sup> Across the U.S. several states have prioritized investment in sectoral strategies utilizing state law. Based on a National Skills Coalition 2017 report 32 States had policies in places reflecting the core principles for sectoral workforce development, New York is not one of them.<sup>46</sup> New York must look to states like Colorado’s Talent Pipeline<sup>47</sup>, Pennsylvania’s Industry Partnerships<sup>48</sup> and Washington’s Industry Skills Panels<sup>49</sup> who have made sectoral strategies and career pathways a hallmark to their workforce systems.



## Increase the pipeline of New Yorkers ready for work when the economy rebounds



**ACTION BY 2023:** Establish a common policy at SUNY and CUNY for prior learning and experiential credit; including recognition of military service, foreign credentials and certifications to increase postsecondary attainment.

In addition to system wide efforts underway to increase college readiness and completion, we urge the Chancellors of the State University of New York and the City University of New York to establish a common policy for prior learning and experiential credit, including but not limited to determining how to grant credit for military service, student work experience, foreign credentials and industry recognized certifications. The Western Interstate Conference on Higher Education and CAEL reports that students who are granted Prior Learning Credit have higher degree completion rates and reduced time to completion.<sup>50</sup> The ability of our state to support credit accumulation, saving New York students time and money, will accelerate credentials.

The City University of New York, Chief Academic Officers Academic Policy Committee drafted a CUNY Credit for Prior Learning Assessment (PLA) policy that has been adopted by the Board of Trustees earlier this summer. Per their research, as of 2017 “24 states have PLA policies that allow or require public institutions or entire postsecondary systems to award credit for prior learning.”<sup>51</sup> The goals of the policy are simple, provide a systematic way to award credit for prior learning, ensure adherence to academic standards and integrity, and support students as they make postsecondary decisions. With work underway, it is an opportunity to accelerate and coordinate this effort across the City University of New York and the State University of New York.





## Increase the pipeline of New Yorkers ready for work when the economy rebounds



**ACTION BY 2025:** Establish a “credential passport” that enables students and participants in the pathways across CTE, BOCES, publicly funded job training programs; non-credit workforce and credit bearing programs at SUNY and CUNY to transition seamlessly from institution to institution without accumulating excess credit.

Per the dashboard by Complete College America, nationally, students typically need 60 credits to graduate with a community college degree, however they are graduating on average with 82 credits, an excess of 22 credits.<sup>52</sup> As New York develops career pathways, it will be critical that students and employers understand the portability of their learning and credentials, and can accelerate their progress and keep money in their pockets by eliminating repetition of academic coursework. The Governor should direct \$6 million over 3 years for “challenge grants” to support regional programmatic alignment between career and technical education, early college, and job training programs through the NYS Education Department’s multiple pathways to graduation, BOCES, non-credit workforce and credit bearing programs at the State University of New York and City University of New York to allow students in in-demand employment pathways to transition seamlessly from institution to institution without accumulating excess credit.<sup>53</sup>

Nationally, several states have already taken steps to recognize prior learning credit to reduce time to degree. In Ohio, the Transfer to Degree program (T2GD) enables students to streamline credit transfer among the state’s public institutions of higher education and from adult and secondary career-technical institutions. T2GD encompasses programs offered by Ohio public institutions of higher education and adult and secondary public career-technical institutions. T2GD also includes Advanced Placement and military training and experience.<sup>54</sup>

In a much broader effort, the Western Interstate Conference of Higher Education has launched the Interstate Passport, a nationwide network of two-year and four-year non-profit colleges and universities that are working to simplify multi-state transfer for students.<sup>55</sup> Their efforts have developed criteria to engage multi-state faculty around learning outcomes including foundational skills, cross-cutting skills and knowledge of concepts. It provides a framework for New York to explore, as it looks to align skills and knowledge across its institutions.





# REBUILD, RETHINK, AND REFORM NEW YORK STATE'S EDUCATIONAL, POSTSECONDARY AND EMPLOYMENT PATHWAYS AND ECONOMIC DEVELOPMENT APPROACH

**A**s the economy retools how it provides goods and services, the systems that educate, prepare and connect New Yorkers to work must do the same. Covid-19 has accelerated the future of work, as more New Yorkers work from home and increasingly rely on technology. However, this shift is also fundamentally altering the labor market, changing the nature of jobs and expectations. In order for the workforce system to respond to these changes and to refocus on equity, all stakeholders working to support New Yorkers and the business community must collectively tackle the immediate needs facing our state, rethink how we approach our services, incentives and strategies and make the necessary changes to lead the nation.



## Rebuild, rethink, and reform New York State's educational, postsecondary and employment pathways and economic development approach



### STRONG LEADERSHIP AND OUTCOMES FOR NEW YORKERS

The most effective statewide workforce systems in the U.S. have the benefit of a strong state leadership that focuses on building the infrastructure, capacity and effectiveness of the local system. New York's Governor took the bold step to establish an Office of Workforce Development. Now the Governor must take the actions needed to restructure and empower the State Workforce Development Board to provide system-level leadership and accountability for the state's workforce development system and strategy.

**ACTION BY 2021:** Dedicate \$1 million in federal Workforce Innovation and Opportunity Act State Administrative funding to adequately staff the NYS Office of Workforce Development.

The Governor developed the Office of Workforce Development to “serve as a focal point of accountability and coordination for all workforce training programs for the state, including the new Consolidated Funding Application program. Headed by a new Director of Workforce Development, the Office will establish standards for program performance and ensure alignment with the economic development goals of the state and the individual regions.”<sup>56</sup> In order to successfully fulfill this mandate, the NYS Office of Workforce development must be adequately staffed, and include leaders with experience in adult education, postsecondary and workforce development. The Office should also be responsible for leading the reinvention of the State Workforce Board. Reaching back to the 2013 New York State Sage Commission report, it is estimated that \$100 million could be saved by increased coordination of workforce development programs.<sup>57</sup> We encourage the Governor's Office to redirect \$500,000 - \$1,000,000 annually from the federal Workforce Innovation and Opportunity Act Administrative funding to fully staff this critical asset in New York.

**ACTION BY 2021:** Reinvent the role of the State Workforce Board to establish a compelling statewide vision anchored in equity and opportunity for New Yorkers. Establishing dynamic performance goals to measure progress in reconnecting New Yorkers to skills, work and economic mobility.

Under the federal Workforce Innovation and Opportunity Act, the purpose of the federally mandated State Workforce Board is to provide a leadership role to ensure that the local workforce system in each State is customer and business-driven, and aligns federal investments to promote economic growth.<sup>58</sup> As outlined in the 2018 Invest in Skills NY report, Leveraging Opportunity, Meeting Demand - A Blueprint for New York State's Workforce System, “the most effective workforce development systems have a demand-driven, regionally diverse statewide workforce board.”<sup>59</sup> At this critical junction, New York State should maximize the role of the State Workforce Board to be an asset in coordination, development of a shared vision, outcomes, or accountability for results. Coordinated by the NYS Office of Workforce Development, the State Workforce Board should include leading employers from growing sectors, experts in postsecondary education, workforce and employment providers, state agency leadership, and economic development stakeholders.



## Rebuild, rethink, and reform New York State's educational, postsecondary and employment pathways and economic development approach



**ACTION BY 2023:** Be a national leader for workforce data by investing \$7- \$10 million of State Wagner Peyser funding for an integrated data system that enables workforce professionals to effectively share and manage programs and performance.

The need for a thoughtful, integrated workforce development data system is especially timely considering the number of New Yorkers unemployed and without a path forward. Due to the origin of the funding (i.e. the various federal or state programs) the variability in how workforce development programs measure employment makes conducting a cross-program, system-wide analysis of workforce programs a challenge. As outlined in the Invest in Skills NY brief, *Accounting for Success: A Blueprint for Measuring the Performance of New York State's Workforce Development System*, in order to achieve a data-driven workforce system, the state needs to apply a uniform metric across its different programs, and make a real investment into building, utilizing and maintaining the system.<sup>60</sup> Invest in Skills NY has offered five recommendations to help guide the state in building a comprehensive system for collecting and analyzing data on workforce development:

1. Commit state resources and direct state agencies, in collaboration with local stakeholders (e.g., employers, workforce training providers, and colleges), to build and sustain a comprehensive data system through a transparent and accountable process.
2. Adopt a set of common performance metrics to be used across workforce development programs and funding streams.
3. Build and test the technical elements of the data system.
4. Integrate SUNY and CUNY into the statewide data system to better capture workforce outcomes of the state's public higher education system.
5. Make data available and user friendly to state and local government agencies, workforce training providers, legislators, employers, and the general public to ensure that it is used to support strong workforce outcomes.

Fortunately, New York can learn from other states that have taken on the task of streamlining their workforce development data management systems. States such as Michigan, Minnesota, Texas, and Washington have built systems that now allow the state to prioritize programs and interventions with a strong return on investment. Additionally, utilizing their State Workforce Board and local workforce system, they are quickly able to respond to changing needs; scale up effective interventions and shift resources, as needed.

New York is also one of the fourteen remaining states who have neglected to take advantage of the federal Workforce Data Quality Initiative funding, that provides for up to \$2.7 million to an eligible State Workforce Agency for the integration of the state's case management system, performance reporting, and/or fiscal reporting systems with the state's longitudinal database. The intent of the WDQI databases is to "generate workforce training provider performance information and outcomes, including those relevant to Workforce Innovation and Opportunity Act performance reporting, in a standardized, easy-to-understand format to help customers select the education and training programs that best suit their needs."<sup>61</sup>



## Rebuild, rethink, and reform New York State's educational, postsecondary and employment pathways and economic development approach



### LEAD THE NATION IN THE COORDINATION OF ECONOMIC AND WORKFORCE DEVELOPMENT

New York's economic recovery must lay a foundation for a robust, diverse economy. As the state emerges from the health crisis, we must create the conditions for growth and “deliberately address the vulnerabilities the crisis has exposed.”<sup>62</sup> For New York to lead the nation, the state must balance the need to invest in new strategies and modify existing approaches, with the goal for creating a stronger, more equal, and resilient economy.

**ACTION BY 2021:** Require coordination between Empire State Development and the NYS Department of Labor, to develop metrics that track mix of employment opportunities regionally, including but not limited to: number of full- and part-time jobs, job retention, wages and wage growth over time, economic mobility and employer investment in worker upskilling, and variation by industries.

New York has an opportunity to learn from the last recession, and reshape its regional economics by understanding and focusing on growing better jobs across the state as it recovers. Back in 2014, the National Employment Law Project found that the Great Recession wiped out high-wage and middle-wage jobs across the county, only to be replaced with low-wage work.<sup>63</sup> In New York, 9 out of the top 10 fastest growing occupations paid less than \$32,000 in 2019. In an effort to better understand and target economic incentives, we urge the Governor to require coordination between Empire State Development and the NYS Department of Labor to produce and publicly share a series of metrics that track the mix of employment opportunities regionally, including but not limited to the volume and mix of jobs being created and retained, but also the wages and wage growth overtime, resident poverty and employer investment in worker upskilling. This will enable local workforce professionals and economic developers to coordinate on job attraction and retention, upskill workers to attain higher wage employment, equity, and track this coordinated effort over time.







## Rebuild, rethink, and reform New York State’s educational, postsecondary and employment pathways and economic development approach



**ACTION BY 2023:** Establish a nationally leading economic development incentive administered by Empire State Development to recruit, expand and retain quality jobs and certify businesses that participate.

Nearly four out of 10 middle-market executives acknowledge their growth is constrained by a lack of talent, but also that they offer wages that are too low, use rigid and overly prescriptive HR and recruiting systems, and have unrealistic expectations regarding skills and experience.<sup>64</sup> The Brookings Institution has put forth that forward thinking Economic Development Organizations, that adopt “choice employer” designations, highlight businesses that are paying living wages, offering benefits, and investing in workers can lead to better outcomes for the local economy and workers.<sup>65</sup> For example, Oklahoma has developed a Quality Jobs incentive program providing quarterly cash payments up to 5% of new payrolls for up to 10 years, for companies that achieve an average wage threshold and \$2.5 million in new annual payrolls within three years to qualify.<sup>66</sup> Companies must offer basic health insurance to employees and in some cases, qualifying companies must also attain 75% out-of-state sales. In Georgia, the Quality Jobs Tax Credit supports the growth of higher paying jobs by providing a tax credit for companies that pay at least 10% above the average wage of the county in which they’re located. The credit ranges from \$2,500 to \$5,000, per new job, per year, for 5 years.<sup>67</sup>

Even when the economy was at its height, not enough middle and high wage occupations were being developed and not enough New Yorkers were being trained to meet the demand. New York has the opportunity to influence employer practices and encourage the transition to higher wage jobs. We encourage the Governor to lead the nation by developing a new economic development incentive administered by Empire State Development to attract, retain and grow quality jobs. Under its existing authority, Empire State Development could modify an existing incentive, such as the Employee Training Assistance Program<sup>68</sup> to provide new and existing employers a refundable tax credit for supporting jobs that provide for family sustaining wages, benefits, upskilling opportunities internally and economic mobility and advancement, and or recruit and hire from the local workforce development system.<sup>69</sup>

**ACTION BY 2025:** Invest \$7 - \$10 million annually through Empire State Development in a multi-year talent attraction and retention strategy to showcase New York’s regional career pathways via “I Love New York Jobs” as a tool to recruit, retain and expand New York’s talent pipeline for the business community.

States across the country spend anywhere from \$20 - \$150 million annually to celebrate economic success, highlight attractions and assets to “lure and keep businesses here” in an effort to remain competitive.<sup>70</sup> One of the factors that predicated a competitive advantage is a region’s ability to grow and retain talent. As part of New York’s economic development strategy, we urge the Governor to allocate \$7 - \$10 million annually for a multi-year talent attraction strategy, “I Love New York Jobs” to showcase New York’s career pathways. Much like the States’ external marketing to recruit talent, this strategy will be aimed at recruiting and retaining New Yorker’s in local jobs. Additionally, the resources will support the increase student/family awareness of existing state career pathways at educational institutions leading to increased enrollments; as well as support the decision-making for adult learners, and increase the attachment to high quality employment



## Rebuild, rethink, and reform New York State’s educational, postsecondary and employment pathways and economic development approach



### NEW YORK IS REGARDED FOR ITS HIGH QUALITY, RESOURCED, PROFESSIONAL WORKFORCE DEVELOPMENT SERVICES

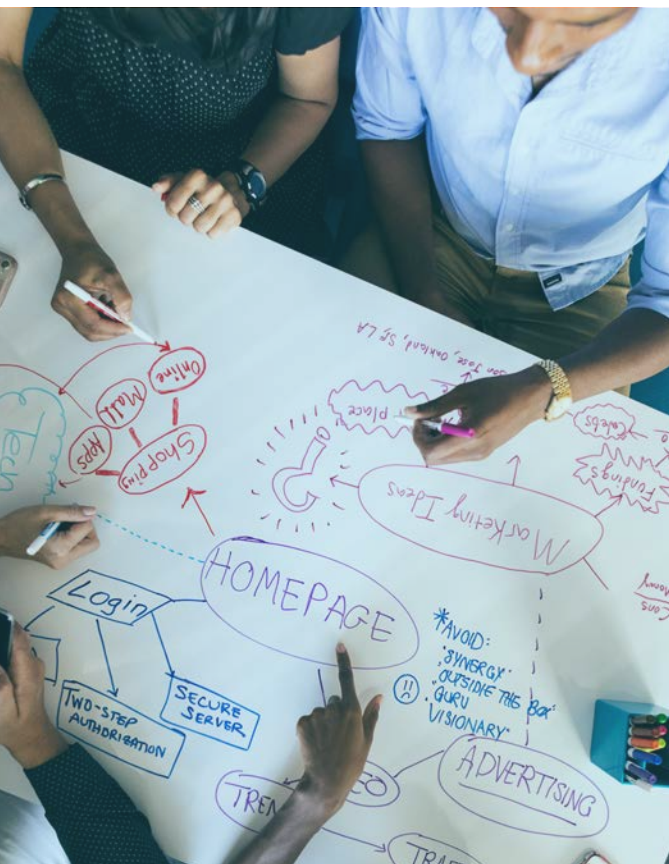
The statewide workforce development system requires stable, flexible resources, 21st century tools, data and facilities, and well-trained staff working with businesses and job- and career- seekers.

**ACTION BY 2021:** Allow for 10% of contract funding to be attributed to administrative expenses for workforce program contracts, enabling workforce entities to adequately staff programs to meet the needs of the business community and New Yorkers.

The ability to provide high quality, effective workforce services is predicated on the staff and organizational capacity. Due to decades of under-funding, workforce providers across New York are under-resourced often stretching the margins of their existing funding to maximize services to businesses and participants. Therefore, the State must allow up to 10% of workforce contract funding to be attributed to administrative expenses. Under the existing structure of the state’s Workforce Development Initiative, the Existing Employee Training Program, New Hire Training Program, and Unemployed/Underemployed Worker Training Program provided for \$25 million in funding to be expended primarily on training and supportive services for New Yorkers.<sup>71</sup> These programs do not take into account the administrative costs and staff time related to delivering these programs, for example the business engagement, recruitment, program retention, job placement and follow up services or the administrative burdens related to performance and fiscal reporting, etc.<sup>72</sup> Under these existing programs, 10% would allow \$2.5 million to increase staff capacity, thereby increasing the number of participants and businesses served.

**ACTION BY 2023:** Annually invest \$1 million of federal Workforce Innovation and Opportunity Act State Set Aside funding in front-line staff professional development provided by effective local providers.

Just as it is critical that New York invest in sectoral workforce efforts to increase the skills and retain workers, the same goes for the workforce sector. As the economy changes, the skills of professionals in the sector providing direct service to businesses and participants need to be upskilled. We encourage the Governor to utilize \$1 million in existing Workforce Innovation and Opportunity Act State Set Aside funding annually to deliver technical assistance and training to frontline workforce staff and competitively bid professional training services to improve competencies on career development, youth development principles, business services, among others. States such as Michigan and California provide between \$600,000 and \$800,000 annually to statewide and local providers to support front line staff professional development.





## Rebuild, rethink, and reform New York State’s educational, postsecondary and employment pathways and economic development approach



**ACTION BY 2025:** Explore the development of a consistent revenue source to fund workforce development, job training, and employee retention in New York.

New York has suffered the long-term trend of disinvestment in workforce development through falling federal appropriations. Twenty years ago, Congress appropriated \$4.86 billion, and as of 2020 that funding has dropped to \$2.79 billion, nearly half of what it was in 2001.<sup>73</sup> Notwithstanding, adhoc infusions of federal funding as a result of a natural disaster or recession are no substitute for a long-term, statewide strategy to invest in and grow New York’s skilled workforce. We strongly encourage the Governor, Office of Workforce Development, and State Workforce Development Board explore alternative mechanisms to raise revenue to support a robust, intentional human capital strategy that meets the needs across New York.

This overreliance of federal funding means New York has limited flexible resources to fund workforce initiatives, limiting our ability to innovate and respond to the needs of the labor market and New Yorkers. A new, dedicated revenue source would enable New York to address:

1. Foundational skills including English Language Learning, adult literacy and numeracy, adult basic education, and digital skills.<sup>74</sup>
2. Be completely flexible in approach, i.e. apprenticeship, transitional jobs, etc to best meet the needs of the sector and job- or career-seeker.
3. Dramatically scale access to work experience and internship opportunities for young adults.
4. Provide up to two years worth of services, to ensure career pathway progression including provision of wrap around supports.
5. Measure progress for New Yorkers, including attachment to benefits; education and skill attainment; digital literacy; job placement; wage advancement, and asset building -- such as individual savings, home or car purchase, reduction in public benefit needs, etc.

Recognizing the assumption that New York is ‘difficult for business’, we strongly encourage the State to convene key stakeholders to carefully consider the steps other states have taken to generate revenue to support training that serves both employers and workers. A new approach in North Dakota, created the New Jobs Training Program which uses commercial bank loans to fund workforce development programs, that are then repaid via payroll tax diversion. “State income tax withholding from the new positions created are matched for up to ten years, until the maximum reimbursement is reached, or until the loan is repaid, whichever comes first.”<sup>75</sup>

In more established examples, states like Massachusetts has long drawn on its Workforce Training Funds Program, which trains new and incumbent workers through a levy of 0.06 percent on taxable wages in the state, During FY20 \$20,691,324 in new training was approved, providing training over 16,000 employees at 749 businesses.<sup>76</sup> In another example, Texas levies an Employment and Training Investment Assessment, that is expected to generate \$120 million in FY 2020.<sup>77</sup> The assessment is imposed on each employer paying contributions under the Texas Unemployment Compensation Act as a separate assessment of 0.10 percent of wages paid by an employer. Money from the assessment is deposited to the credit of the employment and training investment holding fund.<sup>78</sup> The two state’s couldn’t be more different politically, and often compete for similar businesses in sectors such as biotechnology, photonics and technology.



## Rebuild, rethink, and reform New York State's educational, postsecondary and employment pathways and economic development approach

2021

2023

2025

**ACTION BY 2025:** Explore the issuance of General Obligation Bonds for workforce development to upgrade facilities, technology at community colleges, non-credit programs, and entities such as, BOCES, public libraries, and local one stop career centers to ensure 21st century access to technology and facilities.

During COVID-19 and the economic shutdown, the lack of adequate technology and hardware in the State's workforce system became evident. In order to meet the scale of the response needed in the next decade, we encourage the Governor and State Legislature to consider new financing mechanisms to raise revenue to make capital improvements in 21st century technology and facilities to educate, train and upskill New York's workforce. In two recent examples, State's like New Jersey and Maine have issued significant bonds to upgrade their existing infrastructure. In 2018, New Jersey enacted the "Securing Our Children's Future Bond Act"; which authorized the issuance of \$500,000,000 in general obligation bonds to finance certain school, school district, and county college capital projects.<sup>79</sup> In that same year, the State of Maine enacted "An Act To Authorize a General Fund Bond Issue To Build Maine's Workforce Development Capacity by Modernizing and Improving the Facilities and Infrastructure of Maine's Public Universities and Community Colleges" providing \$50 million for the construction, reconstruction and remodeling of existing or new facilities and other infrastructure within the University of Maine System as approved by the Board of Trustees in order to expand workforce development capacity and attract and retain students. Bond funds must be matched by other public and private funds.<sup>80</sup>

We encourage the Governor to utilize its existing authority under the NYS Job Development Authority and the Urban Development Corporation to consider making substantial investments in the State's workforce infrastructure, including BOCES, public libraries, one stop career centers, and community colleges.



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