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Testimony to the Joint Budget Hearing, Workforce Issues
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Good afternoon. Thank you for providing the opportunity to testify here today. With over 160 years of experience, the Community Service Society is New York City's leading antipoverty organization.

Various factors have changed the nature of work in New York, and CSS is increasingly concerned with three trends: 1) the lack of opportunity that large segments of the population have to enter the workforce; 2) the tenuous ground upon which many New Yorkers stand despite working hard at their jobs; and 3) the lack of mobility and opportunity for advancement for many workers. The Community Service Society is here today to discuss our plan to address these trends, and enable work to be the route out of poverty and the route to economic security that we all believe it should be.

Over the last few decades, the local and national economy has shifted at an accelerating pace away from production of goods toward a service orientation. This shift, in conjunction with other factors such as the decline of labor union membership, persistent disparities in educational outcomes between wealthy and impoverished areas, and welfare reform – which pushed millions of individuals into the workforce but did very little to help them move out of poverty – has created an economy that produces many more low-wage jobs with limited benefits and career advancement opportunities, and fewer middle-wage jobs. As a consequence, we have seen an entire class of working poor New Yorkers and Americans emerge.

In New York City, 46 percent of households living in poverty include a working adult – a dramatic rise since 1990, when the figure stood at 29 percent.¹ Our 2007 Unheard Third data also shows that 43 percent of poor (less than 100% of poverty), 31 percent of near poor (100-200% of poverty), and 16 percent of moderate to high income New York City residents (above 200% of poverty) – a large proportion of whom are working – faced 3 or more hardships in the last year, such as rent arrears, going hungry, and inability to get needed medical care.²

At the same time, many populations – including but not limited to “disconnected” youth and young adults aged 16-24 who are not working or in school, individuals with a history of court involvement, immigrants, and those remaining on public assistance – are excluded, in large numbers,

¹ Increasing Opportunity and Reducing Poverty in New York City, “The NYC Commission for Economic Opportunity Report to Mayor Michael Bloomberg, 2006.

² Community Service Society, Unheard Third, 2007, available at http://www.cssny.org/pdfs/UT_Press_Release_Data.pdf

from employment opportunities and pathways to economic security. Given what we know about the importance of early job experiences, we believe that early investment in the workforce participation of these groups is one that will provide New York with strong returns.

Our FY08-09 budget priorities reflect our belief that those who work should not be poor. We commend the Governor on creating an Economic Security Cabinet, moving forward with a Working Family Food Stamp Initiative, passing the shelter allowance bill, and beginning to assess the feasibility of universal health care coverage for all New Yorkers, among other important initiatives. **Our five point workforce plan will ensure more New Yorkers have the education, skills, and employment networks they need to enter the workforce, stay employed, and advance in their careers; and that all individuals in New York State who are working can achieve economic security.**

The first three items below concern disconnected youth and young adults, and were developed in coordination with the *Campaign for Tomorrow's Workforce*, which is also testifying here today.

1. **Launch Tomorrow's Workforce Initiative (TWI)**

This new initiative to serve disconnected youth, funded through city, state, and federal investments, will “scale-up” over time to reach all of the over 200,000 disconnected young people in our State, at an average cost of \$10,000 per participant, annually. Intensive street and community outreach will identify and attract program participants. Education, job training, workplace readiness and career development services will be tailored to each participant's unique circumstances and skill levels, and complemented by stipended and paid work experiences as well as wrap-around supportive services. Ongoing case management will be critical to developing supportive relationships with young adults, which can be used to monitor progress towards improving one's skills and providing motivation and guidance to achieve them. Young adults will emerge ready and prepared to engage in our State's economic and civic life.

Demonstration: Invest \$5 million to identify and fund TWI pilot programs in four targeted areas across New York State—two upstate, and two in downstate (e.g. New York City) communities—that have high numbers of disconnected youth. These programs would serve 100 youth each, and be able to offer incentives to multiple organizations in the same community to collaborate, allowing them to specialize in their own core competencies, while ensuring that each young person receives the appropriate services for him or herself. These pilot programs must have the capacity to serve disconnected young adults broadly, or can be targeted to serve those with similar skills, challenges and needs. The activity of these initial demonstrations should be monitored and evaluated to understand how such programs could be scaled up.

2. **Increase Young Adult Literacy Services**

Investment in young adult literacy services is a necessary workforce development investment for young adults 16-24 who are not working nor in school, and have literacy levels below 7th grade. These services will offer rigorous basic literacy instruction to improve one's reading skills to the point where they are prepared to take a GED class or program. Young adults will be supported in their learning through strong case management, wrap-around services, work experiences and transition services.

Demonstration: Identify and fund four pilot programs for young adult dropouts who cannot return to high school and who are seeking to attain a GED but whose skills are too low to begin direct preparation for the exam. Programs would be located in community-based organizations that maintain strong connections to neighborhood youth through existing adult literacy programs. The pilot programs would allow the CBOs to fund wrap-around services and stipended internships to the young adult participants.

3. **Improve the Accessibility and Quality of GED Programs**

For older youth who do not have enough credits to earn a high school diploma by age 21, the GED is a viable option to advance their education. GED programs offered by community based organizations and community colleges must scale up in order to serve more young adults, and must expand the eligibility of their programs through age 24. This includes increasing the number of available GED classes; conducting better outreach about program locations; ensuring that one can take the GED exam within one month of completing GED classes; and offering transition services upon attaining the GED.

Demonstration: Develop two "GED high schools"—one downstate, one upstate—where students 16-24 complete rigorous programs toward the attainment of a GED where graduation is directly connected to placement in a local college. Programs should be modeled on the CUNY Prep GED-granting high school in New York City, with eligibility extending to age 24.

4. **Invest in Transitional Jobs**

In order to help disconnected youth and individuals with a history of incarceration – as well as long-term public assistance recipients who are also excluded from employment pipelines in large numbers – increase their workplace skills and gain valuable work experience, CSS in collaboration with Community Voices Heard and other partner organizations proposes a new Transitional Jobs Initiative.

Proven effective for the three target populations, transitional employment is a workforce strategy designed to overcome employment obstacles by using real work in time-limited, wage paying jobs combined with skill development and supportive services to transition participants successfully into the labor market.³

We propose creating a 2-year Transitional Jobs Initiative to create 8,000 paid positions. Based on national best practice from around the country, a program of this scale costs approximately \$80 million a year through combined federal, state, and local resources.⁴ We recommend that New York State take the lead in creating such a program, and commit its own resources to the effort.

5. Support Career Pathway Programs

CSS also believes that workforce development programming needs to be tied to labor market demand, and that job creation efforts should be targeted towards jobs that offer living wages and opportunity for economic mobility. In collaboration with partners from throughout the state, CSS has proposed a \$50 million Career Pathway Fund to link basic education and integrated support services to occupational training and job placement in targeted industry sectors. The proposal is targeting low-income individuals below 200% of poverty.

The proposed Career Pathway Fund supports current New York State Department of Labor (DOL) and Office of Temporary and Disability Assistance (OTDA) efforts to realign workforce development priorities to help New Yorkers move out of poverty and to help businesses meet their needs for skilled workers statewide. This proposal would also help NYS meet federal TANF participation rates, and would expand education and training opportunities for low-income New Yorkers – two related priorities of the Spitzer administration.

³ Center for Law and Social Policy. Transitional Jobs: Real Jobs, Real Wages, Real Success (2003).
http://clasp.org/publications/TJ_Basic.pdf

⁴ National League of Cities, Institute for Youth, Education, and Families. Financing Transitional Jobs Programs: A Strategic Guide to Federal Funding Sources (2003).
<http://www.nlc.org/ASSETS/001641B13AA641DC83BC5A38D477F8E2/transitionaljobs.pdf>