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**Testimony of United Neighborhood Houses
Before the State Legislature
Joint Public Hearing on Workforce Development**

Honorable Catharine M. Young, Chair, Senate Finance Committee
Honorable Herman D. Farrell, Jr., Chair, Assembly Ways & Means Committee

Honorable Jack M. Martins, Chair, Senate Committee on Labor
Honorable Michele R. Titus, Chair, Assembly Committee on Labor

**Presented by Andrea Bowen, Policy Analyst
February 3, 2016**

Thank you for the opportunity to submit testimony. My name is Andrea Bowen, policy analyst at United Neighborhood Houses (UNH). UNH is New York City's federation of settlement houses and community centers. Rooted in the history and values of the settlement house movement begun over 100 years ago, UNH promotes and strengthens the neighborhood-based, multi-service approach to improving the lives of New Yorkers in need and the communities in which they live. UNH's membership includes 38 agencies employing 10,000 people at over 600 sites across the five boroughs to provide high quality services and activities to over 500,000 New Yorkers each year.

Typical member agency services range from pre-kindergarten and afterschool, to youth employment and college access, to adult education and workforce development, to behavioral health services, homelessness prevention and senior centers. Essentially, our members provide "one-stop" shopping for all community members—be they children, youth, immigrants, older adults or working families. Settlement house staff understand the importance of providing holistic services within a neighborhood, and this includes workforce development. Within the UNH network, more than two-thirds of our member agencies provide youth workforce programming and nearly all provide adult education to achieve a high school equivalency (HSE) diploma.

We applaud efforts that will increase the minimum wage and create family leave support for working families. However, today I am here to comment on the need to fund and expand successful workforce development programs that support New Yorkers.

In the FY 2016 -17 budget, UNH recommends that the State:

- **Restore the \$300,000 for YouthBuild**

YouthBuild is a program that provides low-income youth ages 16 to 24 with construction training and experience while providing preparation for an HSE diploma. YouthBuild funding was eliminated in the FY 2016-17 Executive Budget.

- **Restore \$1.5 million for Career Pathways**

Career Pathways is operated with NYS OTDA in consultation with NYS DOL and provides young adults ages 16 to 24 education and skill credentials in addition to linkage to employment opportunities. This funding was eliminated in the FY 2016-17 Executive Budget.

- **Increase funding for the Summer Youth Employment Program (SYEP) by \$17.2 million**

SYEP is funded statewide by OTDA and provides youth ages 14 to 24 with state-subsidized summer jobs, while also funding modest administrative costs that allow youth bureaus and community-based organizations (CBOs) to operate the program. The FY 2016-17 Executive Budget proposed \$31 million to fund the program, but we urge that the program be funded at a total of \$48.2 million, which would increase the number of SYEP slots statewide by 10,000, and cover the cost of the minimum wage increase for all slots statewide.

- **Redirect \$19 million from the Urban Youth Jobs Program to SYEP, Career Pathways, and YouthBuild**

The Urban Youth Jobs Program incentivizes youth employment. However, youth have needs other than mere acquisition of jobs (e.g., provision of an HSE diploma, education about financial literacy, linkage to services such as child care and case management) that programs such as SYEP, Career Pathways, and YouthBuild programs help meet. Nineteen million dollars of Urban Youth Jobs Program tax credit funds should be redirected to the state's more robust workforce and youth development programs.

Background

In his FY 2016-17 Executive Budget, Governor Cuomo emphasized the need to provide jobs to unemployed youth.¹ This is a laudable goal, as 287,000 18 to 24 year olds in New York are neither attending school nor working, and have no degree beyond high school.² (Out-of-school and out-of-work youth are sometimes referred to as *disconnected* youth.) New York State has a larger percentage of its 18-24 year old population out-of-work, out-of-school, and with no degree beyond high school than 25 *other states*. New York City has 187,000 17 to 24 year-olds who are neither in school nor in work.

YouthBuild and Career Pathways provide support to disconnected youth, who—lacking employment and a diploma—are in high need of services. YouthBuild provides not only

¹ Office of Governor Andrew M. Cuomo. (2016). 13th proposal of Governor Cuomo's 2016 Agenda: Launch a "Right Priorities" initiative that leads the nation with comprehensive criminal justice and re-entry reforms. Available at <http://on.ny.gov/1ZWO1Bf>

² Kids Count Data Center. (2015). Persons Age 18 to 24 Not Attending School, Not Working, and No Degree Beyond High School. Available at <http://bit.ly/1KVtIvs>

experience in the construction industry, but also preparation for an HSE diploma. Career Pathways participants are supposed to earn credentials (e.g., an HSE diploma, a post-high school degree, or a job skills certification) as *well as* enter into and retain jobs.³ Furthermore, CBOs that are contracted to run Career Pathways and YouthBuild provide ancillary services, such as career counseling, case management, and child care—services that allow high-needs individuals to cope both with the stresses of the work environment and their needs outside of work.

YouthBuild and Career Pathways serve a population that is in great need of help, and do so in a way that prepares these high-need individuals for greater career success.

As noted by William Blair—Director of Education and Career Services for UNH member agency Northern Manhattan Improvement Corporation (NMIC) —regarding YouthBuild and Career Pathways:

Without these programs, a majority of these youth will not gain employment or [will] gain employment at the lowest scale of wage earnings. Most will continue to need financial support from the state or city.

Case Studies

Career Pathways and YouthBuild prepare disconnected youth for long-term employment and self-sufficiency. For example, in NMIC’s FY 2014-15 YouthBuild cohort, 32 youth and young adults enrolled, and in the 2015 follow-up report, 26 were in training or education, and 20 were in college or employment.

YouthBuild also contributes to prevention of recidivism. YouthBuild USA, Inc., a nonprofit organization that supports the creation and operation of YouthBuild programs, released a report in January 2016 showing that “previously convicted YouthBuild students have a reconviction rate of 11 percent, compared to the 21-33 percent one-year reconviction rate nationwide in similar populations.”⁴ Given the Governor’s desire to “further New York’s status as a national leader in criminal justice and re-entry reforms,” YouthBuild’s success in directing youth away from reconviction strongly suggests the state should continue to invest in the program.⁵

Career Pathways has also shown remarkable success in improving the lives of disconnected youth. For Career Pathways providers who were awarded contracts between 2/1/09 and 1/31/14, OTDA set a goal of 5,283 participants attaining credentials; by the end of the contract/award cycle, 8,175 individuals had attained credentials.⁶ OTDA set a goal of 3,122 individuals entering jobs; 2,868, or 92% of the goal, entered jobs.⁷ For Stanley Isaacs Neighborhood Center, a UNH member agency working in a public housing development in Manhattan and a contracted provider for the current Career Pathways program (known by OTDA

³ Office of Temporary and Disability Assistance (OTDA). (2013) Request for Proposals Career Pathways II Program. Available at <http://on.ny.gov/IP4yqej>, p. 15.

⁴ YouthBuildUSA. (2016). National non-profit sees dramatic drop in recidivism among young adults. Available at <http://bit.ly/20nUicV>

⁵ Office of Governor Andrew M. Cuomo. (2016).

⁶ OTDA. (2014). Career Pathways performance and accountability matrix. Available at <http://on.ny.gov/1KoxsKS>

⁷ *Ibid.*

as Career Pathways II), participants outperformed the organization's Job Entry goals. The organization had the OTDA-approved goal of having 27 participants engage in Job Entry, but Stanley Isaacs had over 33 enrollees enter jobs.⁸ Isaacs has exceeded its outcome for job placement.

Elizabeth Hoagland, Senior Manager of Education and Workforce Development at Stanley Isaacs Community Center, said that Career Pathways makes up approximately fifteen percent of her organization's workforce development budget, and that losing Career Pathways funding would be "like losing a major funder." The loss of Career Pathways in the State budget would mean much more than a loss of funding for various organizations, however. The program moves young people from unemployment or low-wages to sustainable employment and long-term career growth. For example, Career Pathways offers certification as a Home Health Aide. With this certification, a participant's income could rise from \$10 an hour at the end of the initial Career Pathways training period, to \$13 an hour after more work experience, to \$17 an hour once the person actually earns their initial credential (Home Health Aide), to \$20 to \$25 an hour once that person reaches an even higher credential (Certified Nursing Assistant, then Licensed Practical Nurse). All of these increases could take place while the individual is still engaged in Career Pathways.

Recommendations

We urge that you:

- restore funding for YouthBuild at its FY 2015-16 level of \$300,000,
- restore funding for Career Pathways at its FY 2015-16 level of \$1.5 million,
- increase funding for the Summer Youth Employment Program (SYEP) by \$17.2 million,
- and redirect \$19 million from the Urban Youth Jobs Program to Career Pathways, YouthBuild, and SYEP.

YouthBuild, Career Pathways, and SYEP are programs with impressive successes that provide *more* than connections to jobs. Last year's \$300,000 marked a remarkable increase in the state's YouthBuild investment. The previous year, only \$50,000 was allocated, though only to YouthBuild of Long Island. New York State should maintain funding momentum in programs that work. Last year's investment in Career Pathways was actually small in terms of the state's historical investment in the program. In its first year, FY 2008-09, Career Pathways was funded at \$5 million; in FY 2009-10, it was funded at \$12.5 million; in FY 2014-15, it was funded at \$3.7 million.

While Summer Youth Employment Program (SYEP) is a topic covered in the hearing on Human Services, it is also a crucial piece of the youth workforce system in New York. The State should increase funding for SYEP from the Executive Budget's proposed \$31 million to \$48.2 million, which would increase the number of SYEP slots statewide by 10,000, and cover the cost of the minimum wage increase for all slots statewide. State SYEP funds can be used not only to subsidize wages for summer jobs, but also to provide education, training, and counseling. SYEP is more than just a jobs program—it is a powerful youth development program.

⁸ OTDA. (2016). Career Pathways II performance and accountability matrix. Available at <http://on.ny.gov/1QZcROP>

The Governor has spoken about the importance of providing workforce development support to disconnected youth. However, funding levels in the FY 2016-17 Executive Budget do not sufficiently answer the challenge and even eliminate Career Pathways and YouthBuild. A significant portion of the Executive Budget's proposed investment in workforce development is in the Urban Youth Jobs Program (receiving \$50 million in the Executive Budget), a tax credit offered to employers for hiring youth (16 to 24) who are unemployed, and fit at least one of several criteria, such as being part of family that receives various public benefits (TANF, SNAP benefits, SSI, free or reduced cost lunch), being homeless, or having been in foster care.⁹ While this tax credit incentivizes employers to hire and retain disadvantaged youth, it is not—as Career Pathways, YouthBuild, and SYEP are—an approach to addressing the multiple factors that keep disadvantaged youth in poverty. Redirecting \$19 million from the Urban Youth Jobs Program would pay for the restoration of Career Pathways and YouthBuild, while also providing the additional \$17.2 million for SYEP.

Thank you for your time and holding this hearing, and I am happy to answer any questions that you have.

⁹ A full list of eligibility requirements for youth is listed at: NY Department of Labor. (2015). Urban Youth Jobs Program. Available at <http://on.ny.gov/1slPJyT>

Addenda: Workforce Development-related programs provided by UNH member agencies

<p><i>Adult Education:</i></p> <ul style="list-style-type: none"> • Adult Basic Education (ABE) • Basic Education in Native Language (BENL) • English for Speakers of Other Languages (ESOL) • High School Equivalency Preparation (HSE) • Computer Literacy 	<p><i>Youth Education:</i></p> <ul style="list-style-type: none"> • Young Adult Literacy Program (YALP) • Learning To Work (LTW) • Young Adult Borough Centers (YABC) • Young Immigrant Literacy Program (YILP)
<p><i>Adult Workforce:</i></p> <ul style="list-style-type: none"> • Back to Work (BtW) • JobsPlus • SNAP E&T, Shelter Employment Services • Worker Cooperatives • HIV+ Employment Program • Employment Services to Human Trafficking Victims • Refugee Early Employment • Sandy Recovery • Immigrant Bridge Program • Workforce1 Community Partners Program • Lower East Side Employment Network (LESEN) 	<p><i>Youth Workforce:</i></p> <ul style="list-style-type: none"> • Out-of-School Youth (OSY) • Career Pathways • Summer Youth Employment Program (SYEP) • Young Adult Internship Program (YAIP) • YouthBuild • Young Adult Sectoral Employment Program (YASEP)
<p><i>Hard Skills Training Areas/Certifications:</i></p> <ul style="list-style-type: none"> • Building Maintenance • Security Guard • Home Health Aide • Hospitality • Food Service • Retail • Commercial Driver's License (CDL) • Customer Service 	<p><i>Employment Assistance</i></p> <ul style="list-style-type: none"> • Resume Assistance • Interview Prep • Job Search, Placement & Retention • "Soft-Skills" Training <p><i>Wrap-Around Supports</i></p> <ul style="list-style-type: none"> • Child Care • Case Management • Mentoring • Primary & Mental Health Care