



Testimony From Acting State Labor Commissioner Mario J. Musolino to the New York State Senate Taskforce on Workforce Development

April 17, 2015

Chairman Martins, Chairman Amedore and distinguished members of the committee:

My name is Mario Musolino and I am the acting commissioner of the New York State Department of Labor. Thank you for this opportunity to address you.

Our goals are very similar. We want to train workers for the jobs of today and tomorrow. We want to get skilled workers onto a career path. We want to get dislocated and unemployed New Yorkers back to work. And we need to do all of these with the most efficient and collaborative use of resources as possible.

Governor Cuomo knows that workforce development *is* economic development and almost everything we do at the Department of Labor is focused on developing a strong workforce to ensure the future success of New York State's economy.

Today, I will walk you through what we have done to achieve the administration's goals. We have established a local, regional and business demand-driven model, we have worked to systemically identify and address barriers to employment in discrete populations that contribute disproportionately to our unemployment figures, we have worked across state agencies and educational institutions to streamline processes and collaborate, and we have tied all training funding to existing jobs.

New York State Economy

Before I get into more detail, let me set the stage on where we are and how far we've come.

New York State has more jobs now than at any time in history.

Since Governor Cuomo took office, the state's economy has added more than 643,000 private sector jobs, bringing the total to above 7.75 million. The state has experienced employment growth in 45 of the past 51 months, including a streak of 22 consecutive months of private sector job growth -- the state's longest on record.

Just yesterday, we announced that the state's economy added 8,600 private sector jobs, keeping pace with the nation as a whole.

And our unemployment rate has dropped to 5.7%, its lowest level since August 2008. Nationally, New York ranks #3 in net private sector jobs created since the recession.

More people are working today in New York State than in 2010, before the governor took office. And these numbers are not just because the population has grown. The number of private sector jobs has outpaced both population growth and growth of the overall workforce.

I highlight these statistics because they directly impact workforce policies and priorities. With the economy growing, we have a very different approach now than we did during the recession.

A Demand-Driven Approach

Workforce development is really about understanding business-labor demand and worker-labor supply, and then creating a competitive advantage for both in the market.

Governor Cuomo is keenly focused on the success of sector-based workforce strategies. To accomplish this, we at the Department of Labor are in a unique position to be a large-scale facilitator of these sector-based approaches.

This means bringing together the various sectors like government, economic development, community organizations, education and trainers to collaborate and broker the skills businesses need and those job seekers possess.

The Department of Labor's tools are used by all of the partners involved in the workforce development system.

- We provide labor market information to capture and predict trends
- We maintain direct contact with the business community
- Our job bank centralizes listings from around the state
- We talk to other government agencies using the same computer system so we're consistent when we work with people
- Then we provide the data so programs can be evaluated

This is a soup-to-nuts system that is working. New York State is more diverse and nimble than at any time in the past. And we can react better to workforce changes in the economy. Why? It's because we know what's going on at the ground level and because our finger is on the pulse of the business community.

Local and Regional Priorities

Since New York is such a diverse state, we address business demands on a local and regional level. Key to this progress has been the Regional Economic Development Councils. We now have a direct line to a diverse representation in each of the state's 10 regions. And we use this system to target federal workforce development funding through the Workforce Investment Act via the Consolidated Funding Application. We earmark about 35% of our federal discretionary funding for programming.

If I were to draw you a chart of how workforce development works in the state, I would start with the State Workforce Investment Board (SWIB). This business-led group is made up of leaders from government, education, labor unions and nonprofits and directs workforce development in the state.

The SWIB oversees federal workforce development funds that include Workforce Innovation and Opportunity Act, or WIOA, and Wagner-Peyser. This funding is administered by the Department of Labor, State Education Department and Office of Children and Family Services.

The Workforce Innovation and Opportunity Act directs our department to create a competitive advantage for individuals with certain barriers. Targeted groups include displaced homemakers, low-income individuals, individuals with disabilities including youth with disabilities, older individuals, the formerly incarcerated, the homeless, youth who are in or have aged out of foster care, individuals who are English language learners, individuals who have low levels of literacy, and individuals facing substantial cultural barriers. Speaking to local stakeholders helps us better direct resources.

Governor Cuomo has revitalized the SWIB with new appointments. Through its business-led membership, the SWIB is well positioned to enhance communication and the coordination of workforce development activities on all levels.

Several SWIB members also serve on Regional Councils and Local Workforce Investment Boards, which are the local entities that actually receive the formula-driven WIOA money. In addition, Department of Labor Representatives also serve on the local workforce investment boards.

This coordination on the macro and micro levels is crucial in our demand-driven system. We're watching and even anticipating the trends and making sure training programs are truly targeted to the actual and future needs of businesses.

Meeting Business Needs

At the Department of Labor, we provide no-cost tailored solutions to help businesses grow. Whether a business is starting up or expanding, we will help list jobs, find the right

candidates, access hiring and training incentives, host customized hiring events and more.

And we don't wait for the phone to ring. We proactively reach out to businesses every day to identify their immediate needs and learn where they're headed.

If they need workers today, we'll contact job seekers who have those skills. And if we hear new skills are needed, we'll work with training providers to prepare. In the past two years alone, we've contacted nearly 100,000 businesses and held 1,300 customized recruitment events to connect them to job seekers.

Every one of these business clients lists their positions with us in Jobs Express. Jobs Express is Governor Cuomo's jobs database. Businesses can list their available positions free of charge. The website sorts jobs by region and occupation and also allows users to search jobs based on zip code and travel distance. Jobs Express last week hit an all-time high of nearly 115,000 available positions.

Addressing Barriers Facing Job Seekers

New York State Career Centers

One of the ways we monitor the workforce and prepare for future demand is through our network of Career Centers. In New York State during the most recent year available, more than 260,000 people who received services in one of the department's 96 Career Centers found a job. Nation-wide during that same period, approximately one million people found a job under the same program -- through using the services of a state career center.

It is important to note that of all the funding nation-wide for this program, New York State only receives 5.8%, while providing a quarter of all successful outcomes.

Our centers offer a wide range of services for job seekers, including: job coaching and referrals; basic job-skills training; resource rooms; and technology to match a person's skills to available jobs.

On-site counselors have at their disposal a number of resources to help customers. Specially trained counselors are also there to help veterans, youth and the formerly incarcerated, to name a few categories.

Two technology resources I'd like to highlight are "Skills Matching and Referral Technology" and the piloting of "Employability Scores."

Our Skills Matching and Referral Technology (or SMART) is an artificial intelligence software designed to analyze the whole person -- their skills, work experience and talents – and then recommend job openings.

On the flip side of SMART is a tool businesses can use for enhanced candidate matching.

SMART was recently integrated into **JobZone**, the department's self-service job search and career exploration tool for adults.

Over the past year, more than half a million people have used this tool. And staff members are now available for real-time chat assistance to provide career development and job search help right on the website.

Similar to JobZone is **CareerZone**, a career exploration and planning website for youth. The program is a delivery system for labor market information, with profiles of more than 800 occupations that are continually updated. It contains a suite of assessment tools and resources and boasts 400,000 users in the past year spread throughout middle school, high school and beyond.

Employability Score

Like a credit score assesses an individual's financial health, an employability score measures a jobseeker's career health. We currently use this score to help job seekers improve their employability and help businesses find workers that match their needs – giving both a competitive advantage in the labor market.

Last June, at the invitation of the White House, we introduced the concept of the “Employability Score.” In October, we were invited back to the White House to present our progress to Vice President Biden, along with the Labor Secretary, Chief Technology Officer and Deputy Secretary of Commerce. At the request of the White House we created a model application for other states to use and we are expanding its use across New York's workforce development system.

Governor's Initiatives and Interagency Collaboration

Governor Cuomo has developed several workforce initiatives, spearheaded by the Department of Labor and executed as collaborative efforts across state agencies. Such an approach prevents redundant efforts, shares and preserves resources, and promotes best practices.

Unemployment Strikeforce

In May 2014, Governor Cuomo announced the Unemployment Strikeforce to boost employment in areas of the state with the highest unemployment rates. A partnership of Empire State Development and the Department of Labor, the Unemployment Strikeforce was piloted in the Bronx. This model has proven very successful and I want to lay out how it brought together so many of the best practice pieces we are discussing here today.

Staff was charged with establishing sector-based workforce strategies for each region based on REDC strategic plans. This task included:

- Identifying the region's in-demand occupations/sectors
- Identifying skill sets required by each sector
- Inventorying existing training and educational opportunities
- Organizing clients by occupational categories, job readiness and training needs
- Aligning educational and training opportunities with local workforce demand

Strikeforce staff work with the local economic development players to package available incentives with state tax incentives, workforce development and other business services offered by our department and partner agencies.

Strikeforce staff meet with businesses to find out what the business client needs and answer the questions: How can we spend our money in a way that will make you take a new employee or two? Customized training? On-the-job training?

The Strikeforce includes representation from all executive agencies and works to provide clients with any services other than training and placement that they need to get them into the right job.

Strikeforce/New York State Opportunity Centers (formerly NY Works Offices) also:

- Conduct sustained outreach to community stakeholders
- Assess the skills of every worker and develop individualized training plans tied to specific jobs
- Hold customized recruitment events
- Provide funding for individual training
- Develop apprenticeship programs
- Identify the need for additional state services

Since May 2014, there have been more than 9,500 placements of Bronx pilot participants in jobs.

And now we are expanding. As part of his 2015 Opportunity Agenda, the governor expanded the Unemployment Strikeforce into the ten areas in the state with the highest unemployment rates. The Strikeforce is ramping up across the state, bringing targeted job recruitment, career and business services to Bronx, Jefferson, Lewis, Kings, St. Lawrence, Oswego, Orleans, Montgomery, Franklin and Steuben counties. This

includes hiring a workforce development coordinator in each region who will facilitate sustained analysis of the local job market and job seeker demands. This staff will maintain communication and collaboration with other state agency partners, work with local training and education programs to meet business needs, and “broker” skills between the employers and local labor force.

Right now, we have \$5.5 million available to help businesses hire. This includes:

- On-the-job training -- up to \$8,000 per employee in wage reimbursement
- Class training – Up to \$5,000 per trainee
- Apprenticeship training – up to \$3,000 per employee
- Customized training – up to \$2,500 per participant trainee
- Remedial training - up to \$625 per trainee

Urban Youth Jobs Program (New York Youth Works)

The Urban Youth Jobs Program, formerly called New York Youth Works, launched in January 2012. The program encourages businesses to hire unemployed, disadvantaged young people who are age 16 to 24, and who live in: Albany, Buffalo, New York City, Rochester, Schenectady, Syracuse, Mount Vernon, New Rochelle, Utica, White Plains, Yonkers and the towns of Brookhaven and Hempstead.

Since 2012, the program has connected more than 18,000 at-risk young people to jobs with more than 2,000 New York businesses across the 13 target areas in New York State.

Under the 2015-16 Budget, thanks to your support, funding for this program has been doubled to \$20 million annually. And we are doubling our efforts to help thousands more youth get the experience to begin building a career.

Community, Opportunity, Reinvestment (CORe)

The Community, Opportunity, Reinvestment Initiative was established last year to align programs, policies and resources to improve outcomes of distressed communities. We’ve already seen good results back from our four target neighborhoods in Albany and Newburgh.

After working with dozens of employment service professionals, we’ve identified regional barriers. And by bringing everyone to the table, we have already begun to address job seekers’ reliable transportation needs – a major barrier to building a career.

Work For Success helps the formerly incarcerated find employment through our Career Centers and in concert with training providers around the state. The program helps reduce recidivism, promotes economic development and improves public safety throughout New York State.

Nearly 10,000 formerly incarcerated individuals have been hired through the Work for Success program since its implementation in early 2012.

Collaboration with Education

We work hand-in-hand with colleges and universities to ensure graduates' skills match the needs of business. Some of our best partners in workforce development are at the community college level with SUNY and CUNY, both two-year and four-year institutions. Since not all jobs require a four-year degree, we work with the colleges and businesses to match the right training and educational programs to the real needs of businesses – including the right credentials.

One of the most significant changes under Governor Cuomo's administration is the investment of training dollars only into programs that culminate in a job placement. In the past five years, we have awarded more than \$30 million in training funds to support the training needs of more than 1,000 businesses covering about 24,000 workers.

That has meant, as evidenced by the "Advance Buffalo" pilot of the "Buffalo Billion" project, that not only do we need to focus on business job demands but also on making sure the training and educational programs those businesses need are available to the local workforce.

Apprentice SUNY

It's no secret that funding for many of our programs has been cut by Congress. But in the spirit of collaboration, we are taking advantage of new federal funding sources by working with other entities like SUNY to help more job seekers.

The Department of Labor is pleased to partner with SUNY on its grant application for the United States Department of Labor's American Apprenticeship Initiative Grant. This grant supports registered apprenticeship for projects across many industries and occupations for which employers are currently using H-1B visas to hire foreign workers.

The application includes partnerships with employers and SUNY's 30 community colleges, as well as other workforce development partners. Apprentice SUNY will provide expertise and funding to encourage the expansion of apprenticeships in high-needs industries across the state. Targeted industries include advanced manufacturing and information technology, including cyber security. The application seeks \$5 million in

funding to create 1,000 new apprenticeships with employers over the five-year grant period and will target under-represented populations.

TAACCCT

The Trade Adjustment Assistance Community College and Career Training (pronounced “Tacked”) Grant provides community colleges and other higher education institutions with funds to expand and improve education and career training programs that can be completed in two years or less. These programs prepare workers for high-wage, high-skill careers.

SUNY was awarded \$14.6 million and will offer programs at 22 community colleges.

SUNY/CUNY Budget Funding

This year’s budget gave SUNY and CUNY a combined \$1,750,000 (\$1 million to SUNY and \$750,000 to CUNY) to integrate Department of Labor career center resources at community colleges. We are now developing an implementation plan.

Start-Up NY

The Governor’s Start-Up NY program is specifically targeted at creating jobs on or near college campuses by offering no taxes for 10 years. By partnering with schools, businesses get direct access to advanced research laboratories, development resources and experts in key industries.

UI Data Sharing

The Next Generation NY Job Linkage Program enables SUNY and CUNY to provide awards to community colleges based on measures of student success. These measures include, but are not limited to, the number of students who are employed following degree or certificate completion and their wage gains.

We work with SUNY and other institutions to assess the quality and performance of their workforce development programs through expanded access to Unemployment Insurance program data. This information is used to evaluate program successes under 15 data sharing agreements. And there are more under development. It again, comes back to the model of bringing together different sectors to facilitate success.

Conclusion

As you can see, the Department of Labor is at the forefront of workforce development. We are a leader nationally and a leader here in the state. Our role is a bridge between public and private, between educators and businesses and between job seekers and careers.

We are ever-evolving and ever-improving to ensure that New York State's workforce is the best in the country and the most prepared for tomorrow's business needs.

Thank you for your time. I'm happy to take any questions you have.