

U.S. Senate Committee on Health, Education, Labor and Pensions: “Supporting Quality Workforce Development Opportunities and Innovation to Address Barriers to Employment.”

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Chairwoman Murray and Ranking Member Burr, and members of the Senate Health, Education, Labor and Pension Committee, thank you for the opportunity to share with you my experience working through the public workforce and postsecondary education systems to address workers’ need and business demand.

My name is Melinda Mack. I am the Executive Director of the New York Association of Training & Employment Professionals.¹ Founded in the late 1970’s, our association represents every county in the State, and includes federally funded local workforce boards, union training funds, community colleges, literacy, education, job training, and employment service providers. Collectively, our members serve over a million New Yorkers each year.

Before COVID-19 the debate that rallied elected officials and educators was the “Future of Work”, automation, and its impact on jobs. However, COVID-19 has laid bare what has been true all along – the labor market, as it has been designed, does not benefit all people equally. We saw mass unemployment rivaling the Great Depression, and while many New Yorkers have lost their jobs, the glaring disproportionate negative impacts for people of color and individuals working in low wage jobs is unambiguous.

As you know over 3.3 million people have filed for unemployment insurance nationally, the highest number since the government began tracking in 1967, and five times the prior record set in 1982. However, according to the JOLTS data, even as the labor market recovers, labor force participation is still lagging. New York’s labor force participation was around 61% pre-pandemic and is now hovering around 59.8%. The New York Times reported last month that a record number of Americans were quitting their jobs, primarily concentrated in low-wage sectors, such as hospitality and food services, making employers desperate to hire and raising wages to attract more workers.

At the same time, workers lack access to foundational and technical skills in our talent pool. In our state 40% of people have a high school diploma or less. The COVID-19 crisis has

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<https://www.nyatep.org/#:~:text=NYATEP%20increases%20the%20knowledge%2Dbase,enhance%20the%20delivery%20of%20services.>

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. As reported by our partners at the United Way, in New York 45% of households are living at or beneath the basic cost of living, putting them one flat tire away from not being able to put food on the table. Nearly 1.5 million working households in New York were unable to meet their most basic needs in 2019. To make ends meet, a single parent in the Bronx with a baby and a preschooler needs to earn about \$95,000—three times the minimum wage in New York City. And while a similar family could get by on much less in Syracuse, the \$58,000 a year they'd need is still double the minimum wage in Onondaga County.

The inability to meet basic needs means these families do not have resources to pay for a training course at a community college or to pay for extra childcare during class time. It means the in-classroom and on the job requirements of a registered apprenticeship are beyond their grasp, despite the strong outcomes for workers and businesses from this model. And it means public policy is not doing enough for families around the country to enable them to fill good jobs for which businesses are hiring.

As we learned during the last Recession, even as the economy improves, it doesn't improve for everyone equally. As reported by Georgetown University's Center on Education and the Workforce in, *America's Divided Recovery: College Haves and Have-Nots, 2016*, people with a high school diploma or less did not rebound following the last recession. 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.

The crisis also had a disproportionate impact on women and workers of color in New York. Lessons from past economic downturns show that Black and Hispanics/Latinx workers, and women are likely to experience greater job losses and recover wages and assets more slowly. Data from early 2021 indicated similar trends maybe happening in the COVID-19 recovery. Additionally, the Schuyler Center has reported that over the past year, more than 1,200 child care providers have closed permanently, pushing child care into a crisis leading to more women, in particular women of color, stepping out of employment to care for children.

Taken together, this means tens of thousands of New Yorkers need access to training and the supports necessary to succeed in that training to ensure our recovery from the pandemic is equitable.

The good news is the public workforce, adult education and career and technical education systems are poised to help people successfully train for and find new jobs. Nationally, and in New York, workforce development does not have a one size fits all, however. Our system has extensive reach, and in New York alone, under the Workforce Innovation and Opportunity Act Title I service program, the system serves over 224,000 Adults; 677,000 Dislocated Workers; and 6,300 Youth in PY20.

An equitable recovery will mean not just serving these workers, though, it will mean addressing the varied barriers that prevent them from finding good jobs today. Those most impacted by the COVID-19 Recession have been lower-income people of color and immigrants. Structural racism has shaped labor market policies, including skills policies, that contributed to those inequities before and during the pandemic. Skills and re-employment policies should purposefully improve both opportunities and outcomes for workers of color coming out of this recession.

Effective models and workforce strategies that can serve as a model for Congressional action to address workers need and business demand:

Invest in workforce development at the scope and scale necessary to meet worker need and business demand

The federal funding through the Workforce Innovation and Opportunity Act, also known as WIOA, is the catalyst for public and private investment, regional coordination, and workforce system alignment across the country, and certainly in our state, where a half million New Yorkers engage the American Job Centers each year.

Local workforce boards must actively match the right resources to the right talent by working with partners to address barriers that prevent individuals from being able to access and succeed in good jobs.

Over the past two decades, public investment in WIOA has declined by 40%.² This means going into the pandemic our public workforce system already lacked necessary resources. To date, Congress has not invested meaningfully in workforce as part of any economic stimulus package.³

Our international peers have, though. According to a report from the Council for Economic Advisors, the United States would need to invest \$80 billion annually just to reach the median of that spent on these programs by other industrial countries.⁴ Instead, we rank below every other international peer in investment in workforce, exceeding only that made by Mexico.

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 2001.⁷³ 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.⁵

² <https://nationalskillscoalition.org/wp-content/uploads/2020/12/Funding-Cuts-Fact-Sheet-March2019.pdf>

³ <https://nationalskillscoalition.org/blog/future-of-work/congress-is-on-the-verge-of-making-historic-investments-in-workforce/>

⁴ <https://trumpwhitehouse.archives.gov/wp-content/uploads/2018/07/Addressing-Americas-Reskilling-Challenge.pdf>

⁵ https://s3.amazonaws.com/kajabi-storefronts-production/sites/181530/themes/3772146/downloads/v4PzHjpKRQGwhgBiRnRe_A_NEW_WAY_FORWARD_REPORT.pdf

This underinvestment means workers can't access training and it means our public workforce system doesn't have the resources necessary to help people be successful in that training.

Invest in and prioritize wrap around support services so workers can succeed in both training programs and in a new job

For workers who have been out of a job or underemployed, job training is a critical part of their pathway to a good job. In order to ensure workers have success in this training, however, the public workforce system must provide access to wrap-around support services like childcare, transportation.

In our state 40% of people have a high school diploma or less and many more lack the additional supports like childcare and transportation needed to move out of low-wage work. Right now, local areas can invest in strategies like support services, but lack of adequate funding often makes it impossible.

Strategies like childcare, transportation, access to career navigation and case management and continued access to benefits provided under other human resource programs like Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) are often the difference between a worker succeeding in a training program that leads to a good job and them being unable to compete.

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.

Federal support to cover the costs of childcare continue to be necessary in our state, both to address childcare needs and to focus on alleviating the need for childcare workers.

Support sector-based training models and industry or sector partnerships to bring businesses of all size together with education providers and increase employment opportunities for workers

Over the past two years, businesses have had to be nimble and responsive to changes across industries. Under WIOA, states are required to support local industry or sector partnerships, but there is no dedicated money to help them do this. These partnerships bring together education providers, local businesses, labor and labor management partnerships, community-based organizations and organizations that serve workers with barriers to employment. The most sophisticated also engage organizations that work with communities of color or others who have been disproportionately impacted by the current crisis and the impact of systemic racism and previous policy decisions.

In a state like New York, a lack of federal investment in these partnerships means that we are limited in our ability to convene businesses with education partners, meaning fewer workers have the benefit of that collaboration.

Just as the impacts of the pandemic have been felt differently between different sectors, and even on different size businesses within each sector, our workforce responses need to be just as industry specific. As we develop forward looking workforce strategies, policies should invest in and empower sector partnerships that are driven by industry stakeholders, including smaller businesses that are often the primary employer in local communities. These partnerships, in addition to addressing local training needs, should also support the diversity and inclusion efforts of local employers.

Again, where we are able to, though, we can see it work.

In the rural region of the Southern Tier there is an extreme shortage of machinists. This same area also has unemployment that exceeds the levels in other part of our state and workers consistently face difficulty finding childcare. In response to business demand, the local workforce board, the regional adult education provider and a state funded workforce intermediary partnered with four local businesses to design an accelerated machining training program. The program invested federal WIOA funding to provide individualized case management to ensure workers could navigate the program and access public resources to support childcare needs. WIOA funds were available for workforce readiness training through the American Job Centers; contextualized adult basic education to accelerate skill acquisition and address literacy and numeracy deficiencies; all while deeply engaging the employers in curriculum development and program design. The partnership has grown to 14 employers, and at a minimal cost of around \$5,500 per participant and has returned more than \$800,000 in wages back to the regional economy. To date, more than [xx] workers have been employed with businesses in this partnership and succeeded in jobs with family sustaining wages.

Congress should also take steps to make sure that sector-based training models are accessible to workers who have been disproportionately impacted by COVID-19, including workers of color, immigrants, and women. Public investments in sector partnerships should include resources, technical assistance, and policy guidance that support advancing racial equity and inclusion in local companies.

Support learning on the job, including work-based learning, apprenticeship, and incumbent worker training

Work-based learning that combines instruction at a worksite during paid employment with classroom education, and that culminates in an industry-recognized credential ensures workers obtain skills and credentials while earning a wage. Registered apprenticeship is a great example of this model, with strong wage and employment outcomes for workers and improved retention and engagement outcomes for industry. This is especially important for disadvantaged individuals with immediate financial needs.

In the Adirondacks of New York, international company Schluter Systems has struggled to attract and retain workers at all levels. Their Chief Operating Officer shared with me recently that Industry 4.0 and the “internet of things” is causing a huge shift in the skills necessary at all levels, so not only has it become a challenge to attract people to manufacturing, now they must attract talent with a higher skill level at the same time as up-skilling their existing workforce. He shared that in the last two years, three machine shops have closed down, forcing the company to find ways to expand in-house knowledge. To solve this problem, Schluter Systems is currently working with the North County Workforce Board and regional education partners as an “active participant in building the solution” by creating a youth-oriented, work experience program called *The Authentic STEM* program. Modeled after the German youth apprenticeship, Schluter believes it will be an excellent sectoral model to generate a pipeline of local workers for Schluter and their supply chain, with experience working on real industrial problems, strong communication and problem solving skills. The programs will co-invest funding from industry and WIOA to support career exploration for middle schoolers and real world work experience for high school-aged students.

In conclusion, if sustained economic prosperity for America and all U.S. workers is a priority, focusing on getting people the skills they need for a good job could not come at a more opportune time. Local workforce boards and their partners including employers, postsecondary institutions, nonprofits and career and technical education programs, are at the front lines creating solutions, and they are creating hope for a better future. I've described a snapshot of what is being done on the ground, now imagine what the impact would be on America's economic competitiveness if we could double down on these efforts. Thank you for the opportunity to discuss these issues today. Please consider us a resource if we can be of any help.