

**COMMENTS ON LOWER MANHATTAN DEVELOPMENT CORPORATION
DRAFT ASSISTANCE PLAN FOR INDIVIDUALS**

By Nancy Biberman, President
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My name is Nancy Biberman. I am an attorney and the founder and President of the Women's Housing & Economic Development Corporation located in the Bronx. For over fourteen years, I worked as a legal services attorney in Chinatown helping immigrants and other low- income families with eviction prevention, unemployment, immigration, consumer and family issues. I was the Director of the East Side SRO Law Project, which represented residents of SRO hotels and "flophouses" in Lower Manhattan. I received a Revson Fellowship at Columbia University in 1985, where I studied land use planning and real estate finance and development. I conceived and developed the West End Intergenerational Residence, the first SRO conversion on Manhattan's Upper West Side serving homeless seniors and mothers with young children. I was the Director of the Highbridge Housing Development Corporation, which rehabilitated 23 vacant city-owned buildings and created six community parks, a \$60 million city-financed program in the late 1980's. As founder of WHEDCO, I financed and oversaw the restoration of the abandoned Morrisania Hospital in the Bronx, which is now home to 132 low income families and a 40,000 square food community economic development center which, for the past four years, has provided child care, workforce development training programs, microbusiness training support, youth services, substance abuse treatment programs, housing relocation services and health, fitness and social services to low- income families throughout the Bronx and upper Manhattan.

I am on the steering committee of the Municipal Art Society's Imagine NY "visioning" project, and a member of the Community/Labor/ Advocacy Network to Rebuild New York. WHEDCO is a designated city VOAD agency and we have been active in the disaster relief effort, providing food to rescue workers; counseling services to children and adults, job training and placement services to dislocated workers, and housing relocation assistance to families who lost homes due to the death of a family member.

For over fifteen years I was a resident of Lower Manhattan. My eldest son attended P.S. 234 and graduated from Stuyvesant High School

I would like to confine my comments to the section of the recommendations that address workforce development and to urge that existing NYC workforce development and childcare agencies be brought into the rebuild effort.

The suddenness and severity of the layoffs that followed the September 11 attacks on New York City have shocked both the local and national economy. In New York City, it is estimated that 60% of the over 100,000 jobs already lost were of positions that paid an average annual wage of \$23,000. [Applications for unemployment assistance since 9/11 have risen to 225,000 people, a significantly higher number than initial projections]. The mass of these newly unemployed workers will now join the ranks of those still on welfare; those who left welfare for jobs that have already or will be evaporating, and those for whom five year time mandatory time limits are being reached. The “welfare” system that these unemployed workers will collectively confront is one that devolved, in 1996, from federal control to a patchwork of state and local programs, which, until now, have been shielded by prosperity and low unemployment.

The gravity of this situation demands that structural changes be made in the oversight of economic and workforce development programs and the transfer of all adult workforce programs to one agency. Any federal funds for the rebuild effort should be coordinated with and managed by the existing Department of Employment, which should be re-named, the Department of Workforce Development.

Under the broad umbrella of “workforce development” (welfare-to-work programs; programs for dislocated or displaced workers; vocational training; job placement and retention) we are in a brave new world. The events of September 11 and the recession which we now know pre-dated the attack have compounded the unemployment crisis in this city. The downtown rebuild effort’s benefits for the unemployed and underemployed should not compound the crisis facing welfare recipients. A new workforce development and job creation strategy is of paramount importance

New federal funds to assist the unemployed should not be confined to those who lost work “directly” as a result of 9/11. The ripple effects of the disaster have created multiple waves of job loss, and these losses are being felt the most severely in low- income neighborhoods, often a far distance from the locus of the attack.

Local government must *structurally* respond to this new reality. The Deputy Mayor for Economic Development should oversee all agency functions and with responsibility for the overarching questions of how to rebuild both the downtown *and* the local economy, and how to prepare a displaced, dislocated, and/or welfare workforce for employment in *whatever* the new economy is.

There is an essential functional synergy between these two systems. The economic realities of these new times demand that we train and prepare the unemployed workforce for whatever new employment opportunities the labor market analysts forecast. The city’s economic development arm is often in the best position to know what business opportunities are likely to remain in, or be brought into, the city. Most labor market forecasters candidly admit that at this time, it is virtually impossible to predict what businesses are staying in the city; and what new ones might choose to relocate here. What we do know about the job market is that it is shrinking beyond anyone’s wildest imagination. Citywide and structural coordination linking workforce and economic development with the downtown rebuild effort is essential.

Funding streams should not drive social policy or service delivery

In part because of the additional funds coming to the city for rebuilding, as well as funds now in place through the implementation of WIA and residual and unspent TANF-funded programs it behooves us to think about *all* sources of government funding which address workforce development as part of a whole cloth.

It is neither rational, nor fiscally responsible, to maintain duplicative functions in different agencies because of the source of the funding. Unemployed workers will be unemployed workers, and their “status” e.g. formerly homeless, displaced, substance abusing, dislocated, illiterate, etc., should not drive the programs designed to serve them. [Their *needs* should drive the individual services delivered]. Creativity is required to meld together needed changes in welfare reform at the time of its Congressional re-authorization, with other legislation and legislative appropriations for the unemployed, from whatever sources. All funds for adult workforce development (whether TANF, WIA or new rebuild funds) should be “housed” in and managed by the DOE, and accountable to the Deputy Mayor for Economic Development. Any residual TANF or WIA workforce development funds currently managed by HRA should be shifted to DOE.

Legislative issues to be addressed and implemented

On the federal legislative front, the federal 5- year time clock must be tolled -temporarily stopped- due to the national state of emergency. New York City should request, through the state, the authority to extend welfare eligibility based upon local indicators, such as unemployment statistics. Moreover, the city administration should ensure that the state expend the funds block granted in 1996, which were based upon the 1995 welfare case rolls. This is a sizable sum of money, given the draconian cuts in the welfare rolls since 1995.

There remains a over a billion dollars of unspent TANF funds in the state treasury; New York remains on the short-list of states with the largest amount of unspent TANF funds, along with California, Florida, Ohio and Pennsylvania. The new city administration should utilize the city’s share of these funds and then expend those funds aggressively for the plethora of new programs that will be required, including a transitional subsidized jobs program, or more significantly, a substantial public works jobs program, which could and should put people immediately to work.

There is no shortage of work to do in New York. What we have is a shortage of private employers. Government is often the employer of last resort. It is difficult to imagine a time more urgent than *right now* for government to step in and play that role.

Now is the time to invest in “human” capital. Funds are available to re-train, educate and re-tool our workforce. Until such time as more jobs actually become available, every effort should be made to enable all of the unemployed workforce to access critical services to ensure their marketability in whatever business become the pillars of the new job market in this city.

Immediate changes must be made in city welfare-to-work policy to enable welfare recipients to receive training and education. This requires the dismantling of the “rapid labor market attachment” strategy of the former city administration. This policy has proven egregiously myopic. The current labor market contraction has left those with the poorest skills the most vulnerable to layoffs. Had city policy permitted welfare recipients to develop marketable skills before diving into low-wage dead-end jobs, perhaps longer-term retention could have been achieved. As things now stand, welfare recipients, forced prematurely into the job market are, as always, last hired and first fired. Only now, with the labor pool saturated, unemployed welfare recipients are competing for fewer jobs against others who have vastly better skills and work histories.

Now is the time to use nationally accepted data about the relationship between skill level, training and salaries. This data should be connected to and informed by our anticipated labor market needs so that the non profit workforce development community can provide education, training and services that are *essential and relevant* in the new local economy.

Different skill levels require different workforce development strategies. Utilize National Adult Literacy Survey data, which analyzes skill levels tied to specific industries and occupations, and connect this data with labor market data from the Economic Development arm of the city’s Workforce Development agency. How would this help? Data demonstrates that 31% of welfare recipients, for example, have “minimal skills” and are likely to get jobs that pay about \$15,000 annually. It would take 900 additional hours of education and/or training to get these least skilled workers to the “basic” skill level, where jobs pay about \$20,000 or more. For unemployed workers with “basic” skills, it would take only 200 hours of education and/or training to get them to the “competent” level where jobs pay about \$30,000. Workforce development strategies should be built upon what we know about skills and salaries, and most importantly, be informed by the needs of the labor market of 21st century New York City. A one-size approach never did fit all; it certainly does not today.

Affordable childcare remains both a service need, and a source of employment. Expand existing programs to create more home-based child care businesses. Ensure that public programs and policies that provide for temporary and/or transitional childcare either for welfare recipients or newly-displaced workers are seamless.

This remains one of the oldest, most understood and least addressed impediments to job retention (and job creation). The interruption of child care payments for welfare recipients who lose the “training-related expense” payments for their caregivers pre-case closing, while waiting for the “transitional” benefits available post employment, accounts for the single largest cause of job loss. Too many smart people have understood this for too long. This systemic dysfunction looms even larger now that so many newly unemployed workers will ultimately be “served” by it. Again, the seamless integration of all funding streams for childcare is essential. Moreover, to address the child care needs of the displaced and/or dislocated workers, eligibility for child care for working families should be increased to those with incomes of at least 275% of poverty. [In New York City, this would include families earning no more than \$48,507 for a family of four].

We are living in a time of severe and unpredictable economic crisis coupled with genuine anxiety for the safety of our nation. At the federal level, sweeping changes unthinkable only six months ago have taken root. Restoring New York is not simply a physical infrastructure challenge. It requires bold and creative investment in human capital, the lifeblood of this diverse and universal city.