

NEW YORK CITY WORKFORCE DEVELOPMENT FUND REQUEST FOR PROPOSALS

TO EXPLORE THE FEASIBILITY OF CREATING AN INITIATIVE TO INCREASE PUBLIC FINANCING FOR WORKFORCE DEVELOPMENT SERVICES IN NEW YORK CITY

December 5, 2006

Introduction

The New York City Workforce Development Funders Group is seeking proposals from consultant(s) interested in testing the feasibility of creating a coordinated set of strategies to increase public financing for workforce development services in New York City. The selected consultant could be an independent consultant, a single organization, a group of organizations, or some combination of these, that has a demonstrated track record in working effectively on workforce financing issues. The New York City Workforce Development Fund has allocated up to \$50,000 for this feasibility study through the generous support of the Ford Foundation.

Background

In 2000 a group of New York City funders met to discuss the rapid changes in workforce development programs and to find collaborative ways to build a more effective system of training and financial support for workforce development agencies in New York City. In the spring of 2001 the New York City Workforce Development Funders Group (Funders Group) was formed to develop an effective workforce development system in the City. Membership is open to any private funder interested and involved in workforce development. Over the past five years, the group of foundation and corporate funders has met regularly to:

- Share information on current issues in the workforce development field and to discuss grant making strategies to address those issues;
- Explore opportunities for joint grant making among private funders;
- Develop collaborative projects to address critical issues in workforce development in New York City; and
- Provide opportunities to discuss issues with key public officials at the city, state and federal levels responsible for workforce development.

The Funders Group has established three collaborative initiatives: (WIA Youth Technical Assistance Project, New York City Sectors Initiative and the Financial Management Training Project) and supported a number of other innovative projects (e.g., business planning for JobsFirstNYC). Since 2001 over \$3 million has been committed by participating funders to these Funders Group initiatives.

The issue of declining public funding for workforce development services at a time when many low income workers are disconnected from opportunities due to lack of skills

needed to fill entry level jobs, is of increasing concern to private funders. Over the past two years, the Funders Group has participated in a series of national meetings as part of the Workforce Intermediary Project (an initiative of the Annie E. Casey, Ford and Rockefeller foundations) that is exploring how workforce intermediaries can achieve better, higher-performance outcomes for workers, employers, and communities. This project includes workforce development initiatives from Austin, Boston, Baltimore, New York City, Northern California, and Pennsylvania. The projects in Boston and Pennsylvania have been particularly successful in conducting an organizing campaign to get more funding at the state level for effective programs.

Representatives of the Boston Workforce Solutions made a presentation at the March 6, 2006 New York City Funders Group quarterly meeting about their collaborative workforce policy initiative, now in its third year. The Workforce Solutions initiative has been very successful in raising the awareness of the importance of workforce development with policy makers, increasing the visibility of the issues through the media and advocating for higher allocations at both the state and local levels. This presentation was followed by a panel presentation of leaders from New York City policy organizations involved in workforce issues to identify opportunities to advance this work in New York City and to examine the application of the work in Boston for New York City. The New York funders agreed that a collaborative approach to advocating for more workforce resources in New York City has significant potential. Since then, a sub-group of funders has discussed the potential of forming a new initiative focused on increasing public financing of workforce development services. This Request for Proposals seeks a qualified consultant to explore the feasibility of supporting such an effort.

Workforce Development Financing Strategy

The New York City labor market remains very challenging for many groups –particularly those without skills. New York City has recovered less than half of the jobs lost in the 2001-2003 recession. Many of those who are working are struggling to make ends meet – with many forced to work more than one job. Studies by groups like Community Service Society of New York over the past three years have documented the difficulties that young people and African American males have in getting and keeping jobs. At the same time, nonprofit organizations across the country are struggling to address severe declines in revenue from all sources. Federal funding is being cut; states and cities have been faced with the need to reduce services, and, while private giving has bounced back since 2001 it can not make up for the public cutbacks. Agencies in the workforce development field have been severely impacted by these larger trends. For example, during the first year (Program Year 2000) of federal Workforce Investment Act (WIA) funding, New York City received more than \$126 million. However in Program Year 2006, which began on July 1, 2006, New York City received only \$84 million. As a result, workforce development agencies are being forced to do much more, with much less.

The New York City Workforce Development Funders Group is committed to exploring creative strategies for expanding public funding for workforce development services—

particularly the support for training that provides access for low income populations to high wage, high demand entry level jobs with good career opportunities.

Proposal Request

In order to explore the feasibility of establishing a workforce development financing initiative, The Funders Group seeks a consultant to:

- a. Identify and document promising public workforce financing initiatives (e.g., Boston Workforce Solutions initiative, State of Pennsylvania's Industry Partnership strategy) that have significantly increased public workforce financing at the state and local level and increased support for workforce development services in large urban areas.
- b. Conduct phone interviews with key players in these initiatives.
- c. Prepare profiles of promising workforce development financing practices identified by this research.
- d. Conduct interviews with key stakeholders (including public, corporate, nonprofit, and philanthropic sectors) in the workforce development system in New York City and New York State to identify the most effective way to adapt the strategies identified in section (a) that will work in increasing public funding for workforce development services in New York City.
- e. Identify the level of interest among private funders for providing financial support for a new multi-year workforce development financing initiative.
- f. Provide a set of recommendations to the Funders Group on how to structure a potential multi-year Workforce Development Financing Initiative e.g., level of support, goals of the Fund, most effective combination of strategies, and the requirements for applicants in supporting a collaborative approach.
- g. Prepare a draft Request for Proposals soliciting a manager for a New York City Workforce Development Financing initiative.

Proposal Contents

Please provide the following items. The proposal should not exceed 10 pages.

- Rationale for Proposed Strategy
- Description of Tasks, Methods for the above activities
- Description of deliverables to be produced
- Expertise of staff to be assigned to the project
- Institutional Capacity with particular emphasis on workforce development financing

- Timeline
- Budget (not to exceed \$50,000).

Proposals must be submitted electronically by 5:00 pm on January 5, 2007 to:

Bret Halverson, Staff Consultant, Funders Group at **bret@bostonkiwi.com**.

The New York City Workforce Development Fund advisors intend to select a consultant, an organization, or a group of organizations by January 31, 2007. Work will begin immediately.