

# WORKFORCE DEVELOPMENT CHALLENGE

## Empire State Development

The Workforce Development Challenge (WDC) was created to ensure the region's workforce pipeline is being responsive to industry demands and is designed to promote and invest in innovative approaches to workforce training for underserved populations. The WDC will help scale up organizations doing high impact, results-oriented workforce training that can demonstrate strong outcomes in training, job placement and retention. The WDC will facilitate partnerships with community and neighborhood-based organizations with proven track records, trust and outstanding abilities for outreach and recruitment. It will also support target sectors ripe for growth in jobs and career ladder opportunities for entry-level and mid-skill workers, while funding best practice models that maximize collaboration between business and workforce trainers. Empire State Development (ESD) is New York's chief economic development agency, whose mission is to promote a vigorous and growing economy, encourage the creation of new job and economic opportunities, increase revenues to the State and its municipalities, and achieve stable and diversified local economies. ESD is also the primary administrative agency overseeing Governor Andrew Cuomo's Regional Economic Development Councils.

### I. PROGRAM BACKGROUND

In January 2012, Governor Andrew Cuomo made a historic commitment to strategically invest one billion dollars in the Buffalo area economy (the "Buffalo Billion") to create new jobs and spur large-scale private investment and increased economic activity. This commitment showed extraordinary recognition of the region's potential and confidence in the Western New York Regional Economic Development Council's (WNY REDC) Strategic Plan, *A Strategy for Prosperity*. Following the announcement of the Buffalo Billion, the WNY REDC developed the Buffalo Billion Investment Development Plan (BBIDP), a detailed market analysis and investment plan based on the strategic framework laid out in *A Strategy for Prosperity*. As detailed in both regional plans, a major enabler for economic development and strategic job growth in Buffalo Niagara is workforce development. Connecting economic development efforts with workforce training will ensure that employers in growing industries have access to the high-quality, high-skilled labor needed to fill job openings and be competitive.

#### ***An under-supply of skilled talent could impede productivity and growth potential.***

Research since the development of *A Strategy for Prosperity* indicates that employers in high-demand, higher-paying industries need to rapidly identify pools of skilled workers and training programs that meet their needs, and over the long-term, influence the skills of the workforce pipeline to better align with their needs. The most recent research on the labor market in the region included an employer survey. It showed the majority of companies in Buffalo Niagara

report a number of hard-to-fill jobs or hard-to-find skills, suggesting the supply of labor could be better matched to industry needs. Jobs that are difficult to fill today and skills that are difficult for employers to find will be compounded as industries across the region grow. Many industry sectors in the region experienced double-digit job growth over the past five years. Over the next five years, many industries can expect to fill thousands of job openings across the region annually. The region also faces a looming retirement cliff that will impact the labor supply. In the next 10 years, approximately a fifth of all jobs across the region may be impacted by worker retirements.

***The region's labor participation rate is down, especially among those with limited education.***

While the potential labor supply in Buffalo Niagara grew, with an increase in the number of working age people (16 and up), the region's labor participation rate is down, following statewide and national trends. Among adults of prime working age (16 to 64), workforce participation rates are lowest for adults with the most limited levels of education especially in minority populations. Cultivating skill levels and credentials for these working age adults in fields and occupations that are in high demand presents one of the region's greatest and most pressing workforce development opportunities.

***There is a significant segment of the population that is underemployed.***

Over 32,485 workers in Buffalo Niagara are employed full-time, year-round, but still earn less than \$20,000 a year. Up-skilling and right-skilling these populations for future jobs offers a high leverage strategy that builds on existing skills and credentials for the benefit of regional industries and employers.

***The region has a sizable workforce development ecosystem, but it's not keeping up with business needs.***

The ecosystem of workforce development and training opportunities is complex and multi-pronged. Research commissioned by Invest Buffalo Niagara identified over 200 workforce trainers across the eight-county, Western New York region. Approximately 70 are nonprofit and private community-based organizations in Buffalo. Some are engaged in impressive work with excellent outcomes, but are often constrained by limited funding and restrictions that come with public and private funding sources. The majority are operating at or over capacity, and support services that alleviate barriers to training are often limited.

In light of these challenges, the Buffalo Billion has already made significant investments in workforce development efforts and will increase that investment in Buffalo Billion Phase II, announced by Governor Cuomo in 2017. In Phase I of the Buffalo Billion, workforce development efforts were largely focused on growing the much-needed workforce pipeline in the manufacturing sector. Ongoing investments in the new Western New York Workforce Training Center located on Buffalo's East Side in the Northland Corridor will create economic onramps to training, apprenticeships and career placement for manufacturing and energy sectors. Applying research and best-practices learned through these efforts, the WDC will leverage and build upon

the good work in workforce development already happening in the community, and will up-skill and right-skill underserved populations to meet the needs of growing industry sectors.

## **II. PROGRAM GOALS**

- To support target industry sectors ripe for growth by expanding the workforce pipeline through meaningful industry partnerships leading to industry-driven training;
- To prepare unemployed and underemployed populations for high-demand, higher paying jobs with career advancement potential;
- To create career ladder opportunities for entry-level and mid-skill workers;
- To increase the capacity of grassroots, community-based organizations with proven track records in results-oriented workforce training;
- To invest in innovative approaches to workforce training to better serve industry needs; and best practice models that maximize collaboration between industry, employers and workforce trainers;
- To ensure that all workers of all skill levels, socioeconomic groups and geographies have opportunities to participate and progress in the labor force.

## **III. APPLICANT ELIGIBILITY**

### **Applicants must:**

- Be a not-for-profit corporation with Section 501(c)(3) status as determined by the Internal Revenue Service. A not-for-profit corporation must be registered and up-to-date with filings with the New York State Office of the Attorney General's Charities Bureau;
- Have an established track record of effective training and trusted relationships within communities;
- Be located in or provide services to Erie, Niagara, Cattaraugus, Chautauqua and/or Allegany counties;
- Demonstrate the development and financial management expertise to successfully develop, design, construct, manage and implement the project. This expertise is demonstrated through previous experience in successfully developing projects similar to the one proposed, either by partners or key staff within the business or organization;
- For capital projects, must demonstrate ownership or site control (i.e., lease or letter of intent to lease) of all real estate considered part of the proposed project.

#### IV. PROJECT ELIGIBILITY

Projects **must**:

- Foster workforce development in at least one of the region’s following target industry sectors—**advanced manufacturing, health & life sciences, tourism, energy, and agriculture**;
- Be developed in partnership with a business or multiple businesses to maximize job placement following training;
- Train populations that are out of the labor force, unemployed, underemployed/working poor, and/or employed workers seeking upskilling, upgrades and/or career advancements. Preference will be given to those projects that specifically target underemployed populations and employed populations seeking career advancement;
- Prepare participants with entry and advancement in the aforementioned regional target industries with a preference for high-demand, living wage jobs (i.e. jobs that pay the average regional average of about \$45,000) with career advancement;
- Be a new program or project or expansion (increase in participants, services, or outreach) of an existing program or project and be considered a best practice model able to be replicated.

The nature of the program is to catalyze creative approaches to workforce development for long-term impact. As such, it is intended to be flexible and responsive to industry, innovation and ingenuity, rather than following a proscriptive approach. The WDC encourages applicants to provide new and creative proposals that fit within the goals of the program, tailored to neighborhood and population needs and opportunities. Given the complexity of this issue, preference will be given to those projects that employ **multiple workforce development strategies** and may include, but are not limited to, the following activities:

- apprenticeships
- on-the-job training
- career-focused, targeted educational and/or vocational training that leads to a certificate or other non-degree bearing postsecondary credential
- soft skills or success skills development
- mentorships
- training and job promotion and recruitment
- job placement and retention
- creating partnerships with industry
- strengthening connections between employers and job seekers
- wrap-around and supportive services

## **V. ELIGIBLE ACTIVITIES**

Funding will be provided for activities not typically served by other sources of federal, state or local funding such as those available through the Workforce Investment Act.

Funding may be used for a variety of working capital and/or programmatic expenses related to a new program or expansion of an existing program such as:

- curricula development;
- instruction and instructional materials;
- marketing; and/or
- trainee supports, etc.

Funding may also be used for capital improvements provided they are within the following categories and thresholds<sup>1</sup>:

- purchase and/or installation of machinery and/or equipment used in workforce training;
- purchase and/or installation of furniture and fixtures;
- fit-out and/or in-kind renovation of an existing building in full compliance with local development regulations and not involving a property listed on the State/National Registers of Historic Places;
- new construction or expansion of a building, limited to no more than 4,000 square feet of space, on property already owned or controlled by the applicant, in full compliance with local development regulations, and not involving a property listed on the State/National Registers of Historic Places; and
- soft costs of up to fifteen (15%) of total project cost, and planning and feasibility studies related to a specific capital project.

## **VI. USE RESTRICTIONS**

Funding cannot be used for:

- An organization's general operating expenses or working capital related to a capital project;
- An existing program or project that doesn't demonstrate substantial expansion;
- Scholarships or financial assistance for program participants;

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<sup>1</sup> Applications involving capital projects exceeding the above thresholds may be considered, particularly if they already have approvals and/or clearance under the New York State Environmental Quality Review Act (e.g., supplemental funding for a project already approved through one or more other agencies). It should also be noted that applications involving any type of capital project, regardless of scale, will require additional public reviews and approvals under Empire State Development regulations.

- Recapitalization/refinancing;
- Endowments;
- Religious purposes or improvements to structures owned by religious or private membership-based organizations;
- Fundraising;
- Political or lobbying activities;
- Activities that have occurred prior to the start of the grant period.

## **VII. FUNDING LEVELS AND MATCHING REQUIREMENTS**

Applicants must request a minimum of \$250,000. There are no matching requirements for this funding, although priority may be given to projects that have matching funds from sources beyond public funds.

Follow on funding may be awarded after the first year of the project to applicants that 1.) demonstrate progress toward goals; and 2.) can provide a 1:1 match, preferably from an industry partner.

## **VIII. REVIEW CRITERIA**

Applications will be reviewed based on the following criteria:

- Project concept and readiness to proceed (20%)
- Project budget (10%)
- Project partnerships and innovation (15%)
- Project impact and outcomes in relation to the WDC goals (20%)
- Demonstration of need (15%)
- Organizational track record and capacity (20%)

## **IX. PROPOSAL SUBMISSION**

Applications must be submitted electronically online through the Community Foundation for Greater Buffalo's Foundant Grant Lifecycle manager. Only applications submitted online through the Foundant will be accepted.

Visit [www.cfgb.org/workforce-esd](http://www.cfgb.org/workforce-esd) to submit your application.

## 2018 Proposal Deadline and Timeline

<u>Activity</u>	<u>Date</u>
Program guidelines released	March 8, 2018
Public information meeting	March 26, 2018
Application due	May 18, 2018
Awards announced	Summer 2018

Proposals received after the deadline will not be reviewed. Questions about the WDC can be sent via email to John Risio at [John.Risio@esd.ny.gov](mailto:John.Risio@esd.ny.gov). Questions regarding the Community Foundation for Greater Buffalo's Foundant online application system should be directed Ba Zan Lin at [linb@cfgb.org](mailto:linb@cfgb.org).

### Grant Period

Grants will be typically provided for 12-month periods to coincide with the typical duration of training programs offered by community-based trainers. An additional 12-month extension on the award will be considered, especially for capital projects, on a case-by-case basis provided substantial progress has been made on the project in the first 12 months.

## X. PROPOSAL REQUIREMENTS

Please provide the following information through the online application system in order to be considered for funding through the WDC:

### A.) CONTACT INFORMATION

Applicant organization  
Contact name  
Title  
Address  
Email  
Phone number

### B.) PROJECT DETAILS

**Project Name**

**Total Amount Requested** through the WDC.

**Total Project Cost**

**Geographic Location** of the proposed project. Include street address, city and county.

**Service Area** of the proposed project. Include city and county of the people served by the proposed project.

**Is this a new program/project or expansion of an existing one?**

**Which industries does the program or project target?** (select all that apply)

- Advanced Manufacturing
- Health & Life Sciences
- Energy
- Tourism
- Agriculture

**What populations does the program or project specifically target and serve?** (select all that apply under each question)

**Employment Status**

- Out of the labor force
- Unemployed
- Underemployed (i.e. low-income workers who have more education and training than their current jobs require.)
- Working Poor (i.e. people who are working but still in poverty)
- Employed workers seeking upskill upgrades/career advancement

**Educational attainment level**

- Less than High School
- High school
- Some college or a 2-year degree
- Bachelor’s degree or more

**Experience Level**

- Entry-level, with little or no experience
- Entry-level, with some experience
- Mid-level

**Demographic (choose all that apply)**

- Adults (18 years or older)
- Minorities (Ethnic/Racial)
- Women
- Veterans
- People with disabilities
- Immigrants/refugees

Single-parent households  
Ex-offenders

**Detailed project description:** Describe the proposed project or program and the actions and activities that will be undertaken to realize it. Include the distinct features of your project such as capital improvements and the purpose they serve; proposed training programs including curricula details; apprenticeships; soft skills training to support job training; etc.

**What specific types of jobs and job titles** will the program or project prepare participants for?

*Please refer to O\*Net at <https://www.onetonline.org/> and provide O\*Net codes for all titles in which the participant will be trained.*

**Describe the skills and/or industry-recognized credentials** that program participants will earn (e.g. soft skills, technical skills, certificate, other).

**Describe any supports** that are available or will be made available to program participants to reduce barriers to training (e.g. on-site childcare, online programming, public transit passes, free or reduced price programming)

**How many people are expected to be trained** or assisted through this project or program annually?

**Explain your outreach and recruitment methods** as they relate to the proposed program or project

**Describe how the project will be sustained financially** once the grant period is over.

**Project Budget:** Include a detailed budget with all sources and uses including the request through the WDC; and a budget narrative that explains any matching funds for the project and their status.

**Provide a detailed timeline** with proposed actions and deliverables.

### C.) INNOVATION

**Name the private sector company or companies** are you partnering with for this initiative.

**Are these companies ready to hire** trainees who complete the proposed program? Yes/No.

**Explain the nature of the relationship** (i.e. curriculum development, instructional, placement and retention, recruitment, etc.); and how partnering with this/these companies will ensure jobs are filled in the targeted industry.

Describe the ways in which this project takes an **innovative approach** to workforce development and how it is a best-practice model that can be replicated.

#### D.) PROJECT GOALS

**Project Goals and Impact:** Describe the specific outcomes and goals of the project and how you will measure progress made toward these goals. Describe the impact the project will have on both the industry it will assist and the population it will serve.

Describe the actions you will take to ensure that program participants are placed in in-demand, higher-paying jobs. How will you ensure a high job retention rate?

**How many people are expected to be placed** in in-demand, higher-wage jobs annually as a result of this project or program?

#### E.) DEMONSTRATION OF NEED

**Identify challenges you see in recruiting, preparing, training and/or placing** underserved populations in in-demand, higher-paying jobs

**Describe the specific need your project is addressing in the community and/or the target population** and **explain how your approach, intervention, program or project** will combat these challenges.

**Explain the need for funding through the WDC**, including why funding is necessary to complete the project why funding for this project cannot be acquired from traditional public funding sources (NYS Department of Labor, Workforce Investment Fund, etc.)

#### F.) APPLICANT ORGANIZATION

**Explain the mission of the application organization**

**Describe the applicant organization's experience** with projects of similar size and scale to the proposed one; and give specific examples of results and successes (people trained, placement and retention levels, anecdotal evidence from employers or trainees, etc.).

**Identify who will be involved in developing and implementing the project** and their qualifications. Note the number of full time equivalent (FTE) staff members employed by the organization.

**Describe any industry and/or community partnerships** that have been or will be developed that relate to the program or project.

## **G.) PROPOSAL ATTACHMENTS**

- 1. Letter confirming 501(c)(3) status as determined by the Internal Revenue Service**
- 2. Organizational Chart**
- 3. List of Board Members**
- 4. Resumes of key project personnel**
- 5. Three (3) years of most recent audited financial statements**
- 6. Training curriculum (if applicable)**
- 7. Memoranda of Understanding/Letters of Support (optional)**

*Empire State Development reserves the right to request additional information once a proposal has been reviewed.*