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City's Job Training Funds Under Review

U.S. Labor Dept. questions system

By Robert Polner
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The city's job training system needs work, a senior federal official said yesterday.

Marilyn K. Shea, regional administrator of the U.S. Labor Department, said the Giuliani administration is misapplying the U.S. Workforce Investment Act, which has afforded the city $182 million to create "one-stop" centers where the unemployed can receive vouchers for job training services.

In the past year, New York has created just one center, compared to Los Angeles' 14, and has failed to spend $108 million of the funds, she said.

"The city's work force investment system is seriously underperforming," Shea said at a hearing held by the City Council Committee on General Welfare.

Shea's complaints were disputed by Mark Hoover, deputy commissioner of welfare for the city.

Hoover said that the city's first one-stop center has drawn praise in newspaper articles and on TV. At one point, scowling, he turned to eye Shea in the audience and pointedly asserted that 2,500 people will have gotten training vouchers by the end of the year. Shea testified that Human Resources Association gave out just 35 vouchers as of June.

Her data is "pretty bad," Hoover said.

Shea said later that the agency faxed its updated figures to her only yesterday, so she had not had time to review them.

Despite Hoover's defense of the city's efforts, Shea said that her agency continues to have "serious questions" about the Human Resources Administration's domination of work force investment decisions, as well as its plans to award multimillion contracts to job training organizations such as Maximus. The work force investment process is supposed to include decisions and oversight by business and civic leaders, centered on one-stop centers, she said.

"It's not a coordinated system — it's fragmented," she said of the city's efforts. "The proof of the pudding is that the city has not spent over half its funds." What is more, when the city applied for $125 million in emergency funds for the tens of thousands rendered jobless by the Sept. 11 terrorism attacks, it received just $25 million, she said.

The Workforce Investment Act of 1998 dramatically changed the federal government's employment training policy, mandating the creation of "one-stop" service and vouchers for those out of work but not on welfare.

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