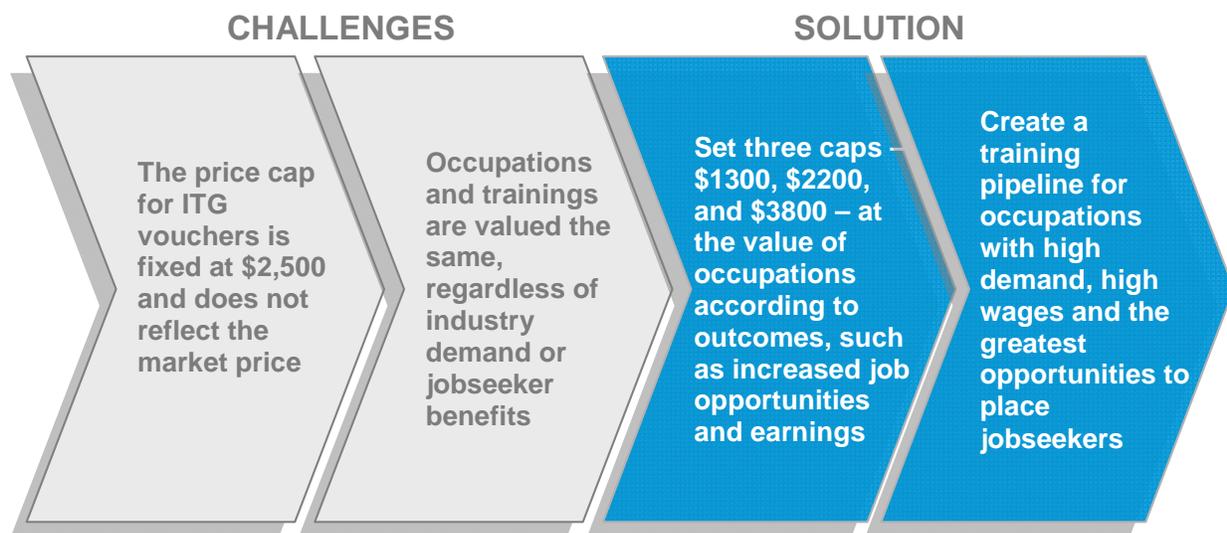


Tiered Pricing

Improvements to Individual Training Grants Pricing for March 2009

Under the New York City Department of Small Business Services, Training Providers have been able to improve their interaction with the City through different means such as improved license and course reviews that ensure a level playing field for providing quality service, as well as the Training Guide (www.nyc.gov/trainingguide) that allows Training Providers to directly market to jobseekers and have their performance evaluations published to showcase their training success.

Today we are pleased to announce the next solution that will improve training in New York City: **Tiered Pricing**. This pricing system has three different prices based on outcomes for occupational skills training courses that accept Individual Training Grant (ITG) vouchers.



This tiered pricing structure **equates the voucher price with value** for the jobseeker. The rating system used to determine the price is tied to four outcomes: greater job opportunities, increased earnings, overcoming educational limitations, and overcoming technical skills deficits based on Department of Labor data. The prices of \$1300, \$2200, and \$3800 for the tiers are based on the cost to place one jobseeker after training and the amount that the City has to invest in each outcome. Together these criteria take into account an occupation's barriers to entry, as well as benefits to both jobseekers and employers.

By equating the price that the City pays for training with the value that the training provides for jobseekers, SBS is ensuring its commitment to enabling a skilled workforce that meets the needs of NYC businesses. Furthermore, analysis shows that the impact of variable prices on Training Providers will be held constant and encourage development of new curricula that offer greater outcomes for jobseekers.

These changes will be implemented over the next several months. First, pricing information for specific courses that will be impacted will be sent to each Training Provider in mid-December. Second, Training Providers will have over 60 days to make price adjustments and changes on the Training Guide. Third, changes will then be implemented for the Workforce1 Career Centers and jobseekers by March 2009. The new tiered pricing changes will not affect current vouchers or vouchers issued before March 2009.

If you have questions about the new policy, please use the Contact Us form found in the Help tab of the Training Guide at www.nyc.gov/trainingguide.