

**Commissioner Roberta Reardon  
NYS Department of Labor  
Budget Testimony  
February 6, 2018  
Joint Hearing of the Legislative Fiscal Committee**

Senator Young, Assembly Member Weinstein and distinguished members of the committees. Thank you for the opportunity to discuss Governor Andrew Cuomo's proposed 2019 Budget and the work of the Labor Department.

**Introduction**

I am privileged to be directly involved in many of the issues shaping the economic landscape and setting a foundation on which future generations can build. As I've traveled to every corner of the state, one thing is clear. Governor Cuomo and you, the Legislature, have made possible the increased economic opportunity and social progress so many said was not possible.

**Workforce Development**

New York State continues to be a national leader and a role model for workforce development. Since Governor Cuomo came into office, every region of the state has seen a dramatic drop in its unemployment rate and has grown thousands of jobs. But there is still a lot of work to be done.

**Unemployment Strikeforce**

As more people find jobs, those remaining in the talent pool have more barriers to employment and need different services. The Governor's groundbreaking Unemployment Strikeforce began to address this head on, starting in 2014 in the Bronx. For businesses, Strikeforce staff work with the local economic development players to package available incentives and no-cost services. Strikeforce staff engage with job seekers more intensively, bringing services directly to them in their own communities. We saw great success, so we expanded to other areas of the state and then expanded again. To date, the Unemployment Strikeforce has engaged more than 100,000 individuals, with 77,000 finding work.

**Vital Brooklyn**

Last March, Governor Cuomo launched Vital Brooklyn, to transform the Central Brooklyn region with strategic investments addressing chronic disparities, systemic violence and entrenched poverty. For our part, and to augment Strikeforce successes, the Governor set a goal of 7,500 hires in target neighborhoods. In less than a year, we exceeded that goal almost three-fold, helping more than 20,500 individuals get hired.

**Youth**

We're also proud of our efforts to help youth enter the workforce. 2018 marks the sixth year of the New York Youth Jobs Program, connecting at-risk youth to stable jobs and paving the way for their bright future. These business tax credits have helped nearly 83,000 youth find work with more than 2,200 businesses. This year, Governor Cuomo wants to build on this success and encourage even more businesses to participate by increasing the maximum tax credit available by 50 percent, meaning businesses could get a credit of up to \$7,500 for full-time youth and \$3,750 for those employed part-time.

### Career Centers

But these groups are just a small portion of the people we serve in many ways across the state. Over the past year, the New York State Career Center system served nearly 500,000 people. This includes individuals who come into one of our 96 career centers for career counseling and basic skills courses and thousands of others who are using our technology solutions like JobZone and resource rooms.

### Assisting Businesses

We also pride ourselves on our ability to help businesses of any size find trained and qualified job candidates. Last year, this agency served 23,000 businesses and hosted more than 1,100 recruitment events. We also listed 1 million jobs on the Governor's no-cost Jobs Express website in 2017, saving businesses thousands of dollars on each listing.

### Office of Workforce Development

But we can't rest on our laurels. Technology and new generations of consumers are rapidly changing the nature of work. More baby boomers are retiring by the hour and those retirements are leaving a huge skills gap. Governor Cuomo believes we can best prepare by coordinating efforts – beyond the confines of just our agency. This year, he has proposed creating an Office of Workforce Development and investing \$175 million toward training tomorrow's workforce, with a focus on emerging fields. This is still under development and we are excited to see it progress.

## **Protecting Workers**

Today, we celebrate these successes, all while living in one of the most progressive states in the US.

### Minimum Wage

As we marked the end of 2017, New York State took another step forward under the nation's first statewide \$15 minimum wage plan. Today, we are on the path to raising the wages of 2.3 million workers and have already lifted more than 200,000 New Yorkers out of poverty since the Governor took office. All while seeing a \$15.7 billion infusion into the state's economy.

### Paid Family Leave

This year marks the start of the nation's most comprehensive Paid Family Leave policy. No longer must workers choose between caring for a loved one and risking their economic security. I have been very proud to highlight this program to groups across the state and share the benefits, not only to workers, but also to businesses who can expect to see an uptick in employee retention and a more predictable structure that allows time off to be with loved ones in their time of need.

### Scheduling regulations

Last November, we advanced proposed regulations for on-call scheduling. These practices, which have become more prevalent in recent years, leave workers scrambling to find child care and force them to miss appointments, classes or important family commitments. We proactively consulted key stakeholders, then held four public hearings state-wide, including hours of testimony from workers, advocates, industry experts and business owners. Their message was clear, that unpredictability has a detrimental impact on both employees and employers. We are reviewing comments now.

### Closing the Gender Pay Gap

We are proud of our lowest-in-the-nation gender wage gap, but we know there is still work to do. I'm also very excited about our Gender Pay Gap study, which I conducted last year with Lieutenant Governor Kathy Hochul, to identify the root causes of the gender wage gap and to make recommendations on how all New Yorkers can continue to help close it. We will be putting those recommendations out soon.

### Enforcement

The Department of Labor is a key partner in the Joint Task Force on Worker Exploitation and Employee Misclassification and, since 2011, has recovered a quarter of a billion dollars and returned that money to more than 215,000 workers victimized by wage theft and public work violations.

### Protecting New Yorkers

We also have no-cost programs that help businesses understand the labor laws in their industry and on-site safety and health consultations that can save them thousands of dollars in potential fines. We conduct thousands of inspections of amusement devices, ski lifts, commercial boilers and more. And we process thousands of asbestos work certifications and mold contractor licenses – all making sure to protect the safety of all New Yorkers.

### **Unemployment Insurance**

One final success I want to mark is related to Unemployment Insurance, a system that we boldly reformed together in the wake of the Great Recession. Today, thanks to those changes and the improving state economy, the Trust Fund, which pays for workers' benefits, is now healthy. And as of December 31, 2017, had a balance of \$1.9 billion – a stark difference compared to the \$3.5 billion deficit just five years ago. Not only have we increased benefits for workers, employers today are paying nearly \$200 less per worker in overall federal and state Unemployment Insurance contributions compared to just a few years ago. That is true progress.

### **Conclusion**

I am very proud of the work that's being done here in New York State, but there is an important elephant in the room that must be addressed. As you know, the Department of Labor is 90% funded by the federal government. And there is a storm cloud hanging over Washington. At risk are not only our life-changing workforce development programs, but also Unemployment Insurance administration funds so out-of-work individuals can feed their families and many of the safety and health programs that allow us to provide no-cost services to keep all New Yorkers safe.

But let me reassure you that despite these many question marks, we are collectively committed, now more than ever, to helping workers and businesses succeed and thrive and making sure that all New Yorkers are safe and healthy. Under Governor Cuomo, we're running efficiently and, as our motto states, are looking ever upward. Thank you.

