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NYS Department of Labor
Budget Testimony
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Joint Hearing of the Legislative Fiscal Committee

Chairs Krueger and Weinstein and distinguished members of the committees. Thank you for the opportunity to discuss Governor Andrew Cuomo's proposed 2020 Budget and highlight the work of the Labor Department.

I have never been more proud to be serving the people of New York State by leading the DOL. Today, we are serving a wider range of constituents than ever before. And we have ever-improving relationships throughout the world of work. We are building bridges and bringing to the table -- often literally -- individuals and groups once thought rivals.

As I travel regularly across the state – meeting with business owners, workers, advocates and experts -- it's clear the landscape is changing ever quicker. But the foundation we have worked so hard to build and maintain is solid here in New York State.

Under Governor Cuomo, we are committed like never before to coming together around the fundamental principles: lifting up workers, supporting businesses and protecting the public. Building on a tremendous record of accomplishments, in this new term, we have a renewed vision, renewed focus and a renewed promise to serve *all* New Yorkers. By the time we are done today, I want you to have an even better sense of who we are, how we serve, how we can work together and how we are your DOL.

First, by supporting workers. December 31, 2018 marked a historic day in New York State as our minimum wage increased again in another step toward a statewide $15 minimum wage. For the first time, thousands of workers in New York City now must make at least $15 per hour.

This is a vital part of Governor Cuomo's vision to bring economic justice and fairness to the working families in New York State. And an estimated 1.6 million New Yorkers have already begun to see their wages rise, representing a nearly $5 billion boost to the economy – dollars being infused directly into communities.

And this news is not one-sided. As we monitor businesses across the state, we do not see any of the doomsday warnings coming to fruition. The phase-in is working. Businesses are adjusting, not shutting their doors. Last year, growth in average hourly private sector earnings outpaced similar earnings nationally and the U.S. inflation rate. You played a major role in making this reality for families across the State.

We stand by our workers – especially hard-working immigrants, the lowest paid and the most vulnerable – making sure that if someone's hard-earned wages are stolen, we recover every penny earned. Last year, Department of Labor investigators recovered more than $35 million and returned it to more than 35,000 workers victimized by wage theft. Since the Governor took office, this agency has recovered and returned more than $285 million to more than a quarter of a million workers.

However, there remains a small number of bad employers who knowingly steal tens of millions of dollars from workers each year. This year, the Governor is proposing a new tool to help eradicate this practice by deterring it in the first place. We want to increase the criminal penalties for bad actors who

steal from their workers and empower prosecutors to take swift action, by making these intentional thefts a felony. This will be a game changer in eradicating wage theft – a goal all of us share.

We also want to expand economic mobility, especially for low-wage workers by eliminating barriers that keep them from seeking promotions and increasing their earnings.

Today, there are companies that use non-compete and no-poach agreements to trap employees in jobs like home health aides, janitors, fast-food workers and even dog-sitters. That may work for corporate bigwigs who keep company secrets, but it is pure intimidation and unacceptable for those who are barely earning the minimum wage. We want to eliminate these agreements and empower workers to seek promotions without feeling stuck.

We are also proposing to ban credit checks as a pre-requisite for hiring and professional licensing decisions that have nothing to do with money. Let's eliminate this unnecessary barrier for low and middle-income workers and stop penalizing job seekers who have suffered economic hardship often beyond their control.

I'm also so proud of our efforts to partner with community organizations in hot-spot communities to cut off the gang pipeline. Last year, Governor Cuomo committed $3 million to help undermine MS-13 recruitment by helping young people on Long Island instead connect to job training and career opportunities. An additional $1 million each is also being awarded to organizations in Albany and Syracuse to curtail gang violence in those communities.

Another successful model to connect young people to jobs is the New York Youth Jobs program, which incentivizes the hiring of at-risk youth with tax credits for businesses. Since 2012, the unemployment rate for youth has been nearly cut in half due in part to this program. Over the past six years, we have connected 130,000 young people to stable jobs with 2,500 employers. And last year, you helped increase the maximum tax credit by 50 percent and I'm proud to tell you we had a record year. We look forward to more growth in 2019.

We continue to be laser-focused on helping job seekers in poverty-stricken communities. Unemployment Strikeforce teams work with local businesses to identify openings, match likely candidates with those positions and leverage relationships with local training partners to fill worker skill gaps. Since we launched this program in 2014, we have engaged more than 162,000 individuals, with more than 76% of them finding work.

This year, at the Governor's direction, we will bring this successful model to new locations, including Syracuse, Elmira and Binghamton. And we'll be working to align Strikeforce teams with ESPRI communities and the strategic efforts to reduce poverty already underway.

We continue to be a key player in Governor's women's agenda. Last year, we released our Gender Wage Gap report, which I co-chaired with Lieutenant Governor Kathy Hochul, outlining dozens of strategic recommendations to help close it. Hours of hearings and research highlighted where we can do more. That's why we're continuing our push for a salary history ban – because if a woman makes less than a man to begin with, or if she took time off to raise a child, she shouldn't be penalized for the rest of her career.

We're working to make sure that employers across the state are training their workers about sexual harassment in the workplace. Last year, we worked with stakeholders across the spectrum to create model policy and training materials to make it turnkey and cost-effective for employers and meaningful for employees who are all required to be trained under the law.

We continue to support workers and businesses through registered apprenticeship programs – a time-honored model that combines on-the-job training with classroom instruction. Last year, we launched to Empire State Apprenticeship Tax Credit Program to expand the apprenticeship model to in-demand occupations throughout the state.

This year, we're setting the bar higher, committing to double the number of apprenticeships in high-demand fields by 2025 – industries like high-tech, health care, clean energy and advanced manufacturing. We're also committing to double the number of women in all apprenticeships by 2025. And we're going to expand our marketing efforts to target parents and guidance counselors, showing the power of apprenticeships as a proven alternative to great jobs without racking up college debt.

We continue to modernize our 96 New York State Career Centers, upping our digital offerings so we're meeting younger generations at their level. Over the past year, our Career Center system served nearly 500,000 people. This includes those who come in for career counseling and basic skills courses and the thousands of others who are using our technology solutions like JobZone and our resource rooms.

We're also excited to be part of the rollout of the Governor's $175 million commitment to workforce training programs. And we expect announcements on this soon.

Our strong economy is also allowing us renewed focus on another important group of people we serve – those who are unemployed. Today, the Trust Fund that pays for Unemployment Insurance benefits is stronger than ever, ending last year at $2.4 billion – a stark difference from a system on the brink of insolvency during the last recession. 2013's reform package has helped future-proof this crucial benefit system -- raising benefits for workers and lowering costs for employers. But today, our unemployment system still discourages claimants from working part-time -- unlike every other state in the nation. This year, we should revise this system to change how part-time work factors into the weekly benefit rate, measuring part-time work as a dollar amount, not by the day. This will encourage more unemployed workers to hone their skills and connect back to full-time work faster.

We are not just the DOL for workers. Like never before, we are helping businesses – connecting them to hiring incentives, helping them find workers and making sure they understand their rights and responsibilities under the law. We have regional business teams spread across the state ready to help businesses large and small. In 2018, my Department hosted or participated in 900 job fairs and customized recruitment events, serving 8,800 businesses and 65,000 job seekers. Every day, we're helping more businesses add their job listings to the Governor's Jobs Express website. And we custom-tailor our services to each business. If you have businesses in your district that need assistance, let us help. I mean it, call me and we will make the connection and get to work on their behalf.

I want to end along the lines of where I began. Today, I have shared with you successes of the recent past and our goals for the future. But what I think underscores this entire conversation is that we have been able to make all of this progress, while growing jobs like never before.

Since Governor Cuomo took office, New York State has added more than 1.1 million private sector jobs, bringing the total to more than 8.2 million -- an all-time high. The state's unemployment rate is 3.9% -- its lowest level in history. Every region has seen a dramatic drop in its unemployment rate. And the number of unemployed New Yorkers has fallen to its lowest level in more than 30 years.
At a time when our nation is at a crossroads, New York State is a beacon for hope and determination. Under this governor and our progressive Legislature, we have both a tremendous opportunity and an enormous duty.

It is our collective mission to improve the lives of all New Yorkers. Whether you're a single dad working minimum wage, the leader of a major company, a student in middle school who's not sure what she wants to do for a career or someone working at a community based organization living out their dream.

This is your time. Your state loves you. And We Are Your DOL.