BEFORE THE NEW YORK STATE SENATE FINANCE
AND ASSEMBLY WAYS AND MEANS COMMITTEES

JOINT LEGISLATIVE HEARING

In the Matter of the
2023-2024 EXECUTIVE BUDGET ON
WORKFORCE DEVELOPMENT

Hearing Room B
Legislative Office Building
Albany, New York

March 1, 2023
3:36 p.m.

PRESIDING:

Senator Liz Krueger
Chair, Senate Finance Committee

Assemblywoman Helene E. Weinstein
Chair, Assembly Ways & Means Committee

PRESENT:

Senator Jack Martins
Senate Finance Committee (Acting RM)

Assemblyman Edward P. Ra
Assembly Ways & Means Committee (RM)

Senator Jessica Ramos
Chair, Senate Committee on Labor

Assemblywoman Latoya Joyner
Chair, Assembly Committee on Labor

Senator Robert Jackson
Chair, Senate Committee on Civil Service
and Pensions

2023-2024 Executive Budget
Workforce Development
3-1-23

PRESENT: (Continued)

Assemblywoman Stacey Pheffer Amato
Chair, Assembly Committee on
Governmental Employees

Senator Steven D. Rhoads

Assemblyman Phil Steck

Assemblyman Joe DeStefano

Senator Shelley Mayer

Assemblyman Harry Bronson

Assemblywoman Jo Anne Simon

Senator Alexis Weik

Assemblyman Jonathan G. Jacobson

Assemblyman Billy Jones

Assemblywoman Nikki Lucas

Assemblyman Michael Durso

Assemblywoman Jodi Giglio

Assemblyman Robert Smullen

Senator Michelle Hinchey

Assemblywoman Rebecca A. Seawright

Assemblyman Juan Ardila

Assemblywoman Donna A. Lupardo

Assemblyman Matt Slater

Assemblywoman Gina L. Sillitti

2023-2024 Executive Budget
Workforce Development
3-1-23

PRESENT: (Continued)

Assemblyman Brian Manktelow

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CHAIRWOMAN KRUEGER: I love that my budget hearing introduction says "good morning." I think we'll skip that part.

But I do want to invite the first panel of commissioners to come up to the table, please. And that would be, in case you forgot who you were, Roberta Reardon, Timothy Hogues, and Michael Volforte. So that would be Department of Labor, State Department of Civil Service, and Governor's Office of Employee Relations, if you'd all come up to the table. Thank you.

Okay, let's just get rolling. Okay, so let's try good afternoon, everyone. I'm Liz Krueger, chair of the New York State Senate Finance Committee, and I'm cochairing today's budget hearing with my colleague and friend Helene Weinstein, from Assembly Ways and Means. This is the last of 13 hearings conducted by the joint fiscal committees of the Legislature regarding the Governor's proposed budget for fiscal year '23-'24.

These hearings are conducted pursuant to the New York State Constitution and

Legislative Law. What's that noise I'm hearing?

UNIDENTIFIED SPEAKER: Duct tape.

CHAIRWOMAN KRUEGER: Okay, fine, duct tape.

UNIDENTIFIED SPEAKER: Safety. Safety.

CHAIRWOMAN KRUEGER: We're holding the building together. Thank you.

(Laughter.)

CHAIRWOMAN KRUEGER: Today the Senate Finance Committee and Assembly Ways and Means Committee will hear testimony concerning the Governor's proposed budget for the New York State Department of Labor, the New York State Department of Civil Service, and the New York State Governor's Office of Employee Relations.

Following each person's testimony -- and that's 10 minutes each, for you three -- there will be some time for questions from the chairs of the fiscal committees and other related committees.

I will now introduce members of the

Senate, and Assemblymember Helene Weinstein will introduce members of the Assembly. I'm just quickly taking a look to see who's joined us. I see Senator Ramos, the chair of Labor, Senator Shelley Mayer, Senator Jack Martins, whose double role today is the temporary ranker of Finance as well as the ranker -- of Labor? Of Labor, excellent.

And I'm going to turn it over to Helene to introduce Assemblymembers.

CHAIRWOMAN WEINSTEIN: Thank you.

We have been joined by Assemblywoman Joyner, chair of our Labor Committee; Assemblywoman Pheffer Amato, chair of Government Employees; Assemblyman Jacobson, Assemblywoman Seawright, Assemblywoman Simon, Assemblywoman Zinerman.

And Assemblymember Ra, would you please -- our ranker, would you please introduce your colleagues?

ASSEMBLYMAN RA: Thank you.

Good afternoon. We're joined by Assemblyman DeStefano, our ranker on Government Employees, and Assemblymembers

Giglio, Durso and Smullen.

CHAIRWOMAN KRUEGER: And I apologize, I forgot to introduce Senator Weik, who is the ranker for the Civil Service Committee. I think now I have all the Senators.

I'm going to just go through some of the basic rules we have for all hearings. Sometimes they're actually followed. Our governmental witnesses get 10 minutes each to testify. Our nongovernmental witnesses get three minutes each.

For questions, Chairs Weinstein and Krueger and the relevant chairs of the committees get 10 minutes to ask questions of the government reps and three-minute follow-ups. Rankers get five minutes, no second round. All other members get three minutes, no second round.

Then when we move to the nongovernmental panels, everyone's equal. We only get three minutes to ask you questions and to get the answers.

It's important to highlight -- and this is for the legislators in the room --

when you have a clock in front of you and you know you have three minutes or five minutes, if you ask a question that takes two minutes and 15 seconds or 4 minutes and 59 seconds, you give your panel guests no time to answer it. That can be a problem.

You can say, This is too technical a question, I hope you'll get back to us. And the answer is yes, please do get back to us in writing. If you send the letters to Helene and myself, we will make sure that they are sent to all members of the relevant committees. So regardless of who asked you the question, we'll all get the answer. And we appreciate that.

Okay, so please note the time limits do apply to the question and the answer in total. When you see a clock, one minute before your time is up there will be a yellow light and a beep or -- a sound that goes off to let you know.

Okay, I don't know that this will be an issue today, but we'll see. So no PowerPoint presentations, no placards, no

signs, no public demonstrations are allowed during the hearing.

And with that, I would like to -- oh, Helene has some additions.

CHAIRWOMAN WEINSTEIN: I just want to acknowledge Assemblyman Bronson has joined us also.

CHAIRWOMAN KRUEGER: Great, thank you.

Okay. With that, I think we'll just take you in the order you are on the agenda: Commissioner Reardon first, Commissioner Hogues second, and Michael Volforte, the director of the Governor's Office of Employee Relations. So you each get 10 minutes. You may have much more detailed legislation {sic}; highlight your bullet points, you only have 10 minutes. And yes, every person who has submitted testimony for this hearing, whether they're testifying or not, that is available on the Senate website. So you can look it up, legislators can look it up, and 20 million New Yorkers can look it up if they like. So we're trying to cut down on the number of trees we kill each hearing this

year.

Okay. And after everybody has testified, then we will be able to start the questions.

So Senator Reardon -- Senator Reardon?

(Laughter.)

CHAIRWOMAN KRUEGER: How about -- I don't know, it's good, it's bad, it depends on the day. Commissioner Reardon.

COMMISSIONER REARDON: I've been elevated. Thank you.

Chairs Krueger and Weinstein, distinguished members of the committees, thank you for this opportunity to talk about Governor Hochul's Executive Budget and to update you on our efforts at the Department of Labor.

I am Roberta Reardon. I'm the commissioner of the New York State Department of Labor. Our mission is transforming New York's world of work, which includes protecting workers, providing support to the unemployed, helping businesses thrive, and guiding New Yorkers into careers they love.

Our work is critically important to New York State, and I am proud of the milestones that we have achieved. When the pandemic hit, businesses statewide were shuttered, everyone was home. New Yorkers were desperately searching for relief for their families. It was clear that our first priority was to ensure that New Yorkers received their Unemployment Insurance benefits quickly so they could feed and house their families.

The pandemic did not defeat us. We overcame the hurdles, and I am so proud of not only what we've become, but what we are evolving into to better serve New Yorkers. There were many teachable moments during the pandemic, and we did not let a single one go to waste.

Perhaps the greatest challenge we faced during the crisis was new and novel forms of unemployment identity fraud. What we experienced during the pandemic was extremely unusual and unlike anything seen before in our government's history. There is

a lack of understanding about what we were up against at the time, and I want to clear up any misconceptions.

We, as a state, were a victim of unemployment identity fraud. Like every state in the union, we were battered by international cybercriminals. All systems nationwide were under attack. This fraud was so sophisticated that it literally tricked every system in the country.

Throughout the course of the pandemic, the department distributed over $105 billion in unemployment benefits to support nearly 5 million New Yorkers. We have identified $4 billion in unemployment fraud stolen by criminals during that time. To be clear, any fraud is unacceptable. But I want to give you more perspective about that figure. It represents about 3.8 percent of what we paid in total to support New Yorkers.

We have since implemented many safeguards to protect our systems, including multifactor authentication, ID.me, cross-matching, and other measures to enhance

security for our customers and prevent future fraud. We also continue to aggressively pursue criminals to claw back stolen funds, including half a billion dollars already today. By today, not today.

While the pandemic was a turbulent time, I am proud of the work the department did to help New York families survive. We worked around the clock, side by side in the trenches during one of the most uncertain moments in U.S. history. I remain forever grateful to my colleagues for their dedication and commitment to helping their fellow New Yorkers. I also want to thank all of you and your staff for working so closely with us during the pandemic. We simply could not have done it alone, and we appreciate your offices helping us during such a challenging time.

And while this was a pivotal chapter, it is not the end of our story. This crisis does not define us as an agency. We are so much more than that. We have turned the page. We are focused on the next chapter,

and I know that it is one with a promising future. Thanks to the leadership of Governor Hochul, and in partnership with the Legislature, the Department of Labor has harnessed the pandemic experience to transform ourselves into a well-oiled, more efficient, and better-prepared agency. And we are doing this with our core mission, to protect workers, at the forefront of our minds.

In 2022, our Worker Protection and Labor Standards teams oversaw wage theft investigations that recovered $25 million in wages for nearly 18,000 workers. Over the last decade, the team has recovered and dispersed around $360 million in stolen wages.

To help New Yorkers report labor violations and apply for permits, we launched a new case management system that will provide updates in real-time. The system will also allow us to collect data, enhancing our ability to identify and respond to trends.

Ensuring workers receive a fair day's pay for a fair day's work is a core tenet that guides our work, which is why I approved the Farm Laborers Wage Board's recommendation to lower the overtime threshold for farmworkers from 60 hours to 40 over a 10-year period. The department also recently oversaw a minimum wage increase to $14.20 an hour for all upstate workers.

But we can do more. We fully support Governor Hochul's plan to index minimum wage to inflation. The plan will help low-wage New Yorkers meet the rising cost of living.

We continue to prioritize workforce development and find innovative ways to provide training opportunities and connect New Yorkers to careers they love. An important part of this is meeting people where they are -- and these days, they're online. And more than 200,000 New Yorkers utilized our virtual job services in 2022 alone.

Last year we expanded our cutting-edge Virtual Career Center to all New Yorkers.

The free platform caters the experience to each customer's individual needs and allows them to browse more than 250,000 job postings.

Businesses are also seeking rapid online solutions to help fill jobs, a need being met by our Virtual Career Fairs. These events are connecting businesses and jobseekers virtually in real-time.

Registered Apprenticeships continue to give New Yorkers the skills they need to thrive in the economy. In November, we celebrated the inaugural New York State Apprenticeship Month, which highlighted more than 900 critical programs across the state. Registered Apprenticeships are paying big dividends for businesses and New Yorkers, which is why we continue to expand these programs.

New York is currently undertaking an ambitious effort to address climate change. The clean energy sector is a game-changer for our planet and for New York's economy. The department is helping to connect New Yorkers

to green job opportunities by also ensuring this burgeoning sector benefits all communities equitably.

And of course we remain focused on assisting unemployed New Yorkers while also keeping our systems secure. We're more than halfway into our four-year modernization plan that will result in a completely new UI management system, optimized to create a more seamless and secure user experience.

While we wholeheartedly welcome these technological advancements, we are also implementing other immediate improvements to our programs. We are focused on reaching more New Yorkers and have ramped up language access. A great example of this was the launch of our Spanish Facebook and Twitter accounts. We also expanded our online virtual assistant, Perkins, to speak in 13 languages and to perform several tasks that previously required speaking to an agent.

None of these changes would be possible without the steadfast support of

Governor Hochul. She continues to ensure the department can modernize to provide the resources New Yorkers and businesses need to participate and thrive in today's economy.

To further Governor Hochul’s commitment to a transparent and open government, the department held hearings to receive public input on the state's newly strengthened sexual harassment model policy, and on the impact of COVID-19 on women in the workforce and the gender wage gap. That report will be released in just a few weeks.

The department is working smarter, but there is always room for improvement. If we are to continue to keep our systems protected, we must evolve with the times. And you, our legislative partners, have played and continue to play critical roles in our efforts. By investing continuously in modernization, we will ensure that our systems remain more efficient, easier to use, and safer than ever before for all New Yorkers.

Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Next, Commissioner Hogues.

COMMISSIONER HOGUES: Thank you.

Good afternoon, Chairs Krueger and Weinstein and distinguished members of the Senate Finance and Assembly Ways and Means committees. My name is Timothy Hogues, and it is my privilege to serve as the commissioner of the Department of Civil Service and the president of the Civil Service Commission.

I appreciate the opportunity to appear before you to comment on Governor Hochul's Executive Budget for fiscal year 2024, as well as to highlight some of our key accomplishments over the past year.

During my short tenure as commissioner I have been struck by the dedication and unwavering commitment of New York State's public workforce. State workers provide critical functions from transportation to public safety to healthcare that make the Empire State a great place to live, work and play.

New York's public-sector workforce has proven its dedication time and time again and is always on the frontlines through public emergencies, whether it be the COVID-19 pandemic or storm preparations and recoveries.

However, New York's workforce over recent years has experienced a reduction in size which has been especially evident in lower-level direct care and healthcare positions. This year I am pleased to report that Governor Hochul's proposed budget will continue to provide healthcare and mental hygiene worker bonuses to incentivize and reward direct care frontline state employees through FY 2024, and provide critical investments to reinforce careers and public services across several agencies as part of our larger efforts to rebuild the state's workforce.

The department is also implementing a Hiring for Emergency Limited Placement program to address the statewide workforce in critical health and safety titles. The HELP

program will temporarily waive the civil service exam requirement for approximately 100 direct-care, health and safety titles across state government for a 12-month period and address staffing emergencies now.

In addition, after hearing concerns raised by the New York State Association of Counties and the New York Conference of Mayors, the department's also implementing a similar program, the Local HELP program, to allow local civil service agencies to address the emergency staffing crises that they are also facing across health and safety positions.

The department also recently transitioned some of our largest and most popular civil service examinations to an online format, allowing individuals to complete the exams wherever they have access to a computer. These exams are also open over multiple weeks, increasing accessibility to interested candidates. Utilizing this format, the department tested nearly 30,000

candidates for nearly 200 job types in 2022.

Further, the department continues to engage with agency partners to implement pay increases and salary differentials for a variety of titles, to improve recruitment and retention efforts. As part of these efforts, the department completed a major restructuring of nursing titles last year that resulted in upgrades for most titles and higher starting salaries and salary differentials.

Top of mind of all the efforts the department undertakes is ensuring diversity, inclusion, and equal opportunity are at the forefront of all statewide initiatives. Under Governor Hochul's guidance and leadership, and in partnership with the state chief diversity officer, chief disability officer and each individual state agency, the department is committed to building and sustaining a workforce and advancing programs and services that reflect the many unique faces, voices, backgrounds and ideas of those we serve.

While we've made tremendous progress in 2022, I am extremely optimistic about the progress we will make in years ahead with Governor Hochul's ambitious vision to reimagine and modernize the Department of Civil Service.

The Governor's Executive Budget supports a new progressive and transformative civil service examination model that includes administering continuous recruitment examinations at state-operated computer-based testing centers. This model will allow the department to meet the increasing demand of examination services by expanding our capacity to hold more examinations and provide examination results to both state agencies and local civil service entities in a significantly compressed time frame.

The Executive Budget also allows the department to establish a greater presence at DOL Career Centers and meet job seekers where they are, fund a public awareness campaign to extol the values of public service, and support a comprehensive study to modernize

the civil service pay structure.

In addition to all I have already highlighted, the department continues to implement effective strategies to responsibly administer the New York State Health Insurance Program to more than 1.2 million members, ensuring access to high-quality providers and services.

In 2022, New York State and CSEA came to a five-year contract agreement which included health benefit changes taking effect this July that will save the state, local governments, public authorities, and enrollees over $300 million annually.

As you can see, the initiatives highlighted today reflect the department's commitment and focus to eliminating barriers to entry for civil service jobs, meeting job seekers where they are, and modernizing the state's approach to meeting our workforce needs. The department's vision for the future is progressive and inclusive, and I look forward to working in partnership with all of you to bring this vision to fruition.

Thank you.

CHAIRWOMAN KRUEGER: Thank you.

And Director?

DIRECTOR VOLFORTE: Thank you, Chairs Weinstein and Krueger and honorable members of the Assembly and Senate. My name is Michael Volforte, and I'm the director of the New York State Office of Employee Relations. Thank you for the opportunity to speak with you about Governor Hochul's Executive Budget proposal for fiscal year 2024 as it relates to our agency and the state workforce.

The proposed budget continues Governor Hochul's goal of increasing the state workforce by proposing growth in a number of agencies, like the Division of State Police, Department of Environmental Conservation, and the Office of Parks, Recreation and Historic Preservation. This year's budget also contains a number of civil service proposals to jump-start hiring for the future, like continuous recruitment examinations; establishing centers for

careers in government, in partnership with the Department of Labor; and a campaign highlighting the importance of careers in public service.

Together with our unions, we shape the future of the workforce and efforts to retain and expand it. Over the past year we successfully negotiated three collective bargaining agreements covering employees represented by the Police Benevolent Association of New York State, Council 82, and the Civil Service Employees Association.

All agreements contained compensation increases in each year of the agreement. The CSEA agreement not only provided increases but made changes to health insurance to encourage unit members to save money by using our broad participating provider network in the Empire Plan.

Between ongoing and planned negotiations, we will negotiate with nine unions this year for new collective bargaining agreements. Our approach in negotiations will remain consistent with the

Governor's message of being fair to employees and ensuring that agencies are positioned to continue to deliver outstanding service to New Yorkers.

Last year we continued to assist agencies and employees in emerging from the pandemic, and we continue offering such services. For example, we agreed with all of the unions to extend the vacation accrual deadline until the end of 2023 to permit employees to take more time off. We also assisted in the rollout of the $3,000 healthcare worker bonus included in last year's budget for eligible private-sector and state employees. As of today, this benefit has been extended to more than 39,000 state employees serving in a variety of roles in the healthcare and direct care fields. These employees were critical in our efforts to manage and respond to COVID-19.

On a daily basis OER fields numerous inquiries from executive branch agencies. We routinely dispense advice on the proper administration of our compensation and

benefits packages as well as advice on maximizing employee performance and operational flexibility under the terms of our negotiated agreements. We also continue to work to ensure that all complaints of illegal discrimination and harassment are properly investigated and addressed.

As we indicated last year, agencies have transitioned to their own telecommuting policies rather than the former emergency statewide telecommuting program. Most allow telecommuting up to several days per pay period but require in-office presence the remainder of the pay period. Our guidance to agencies has been consistent: Telecommuting programs must strike a balance between providing a convenience to employees on one hand and maintaining accountability and robust services for New Yorkers on the other hand.

As you all know, our office offers a number of pre-tax programs for state employees that save employees by using pre-tax dollars for various healthcare,

dependent care and transportation expenses. Last year, there were over 26,000 enrollments in the various programs. We continue to make our pre-tax program even more attractive by allowing individuals to roll over the maximum amount of 2022 funds into 2023 for the Health Care Spending Account and provided a grace period for our Dependent Care Advantage Account and Adoption Expenses flexible spending accounts where employees can use their 2022 balance during the first two and half months of 2023 to incur new expenses and utilize previously deducted funds.

In collaboration with our union counterparts, we continued many other programs that provide important benefits to our workforce. In the last year, our Employee Assistance Program provided assistance to almost 20,000 employees working and coping with the pandemic. We also distributed over 4,500 job and career-related tuition reimbursement benefits in the last year and offer a WellNYS Everyday program.

Lastly, through our labor-management

committees, we continue to foster and develop the state's training and professional development programs. And in 2022, we offered over 700 training and development programs serving over 26,000 employees.

As the Governor indicated in both the State of the State and in her budget address, the State is moving forward with paid parental leave for New York State executive-branch employees. Recently, our office partnered with the Department of Civil Service and implemented paid parental leave for unrepresented state employees. This leave will provide 12 weeks of leave at full pay for bonding with a child after the birth, adoption or foster care placement.

This benefit will provide much-needed time for new parents to bond with new family members without having to make undue financial sacrifices. Our office will negotiate with each of the unions that represent our employees to extend this benefit to them.

In sum, while the current job market

certainly poses challenges for the state, under Governor Hochul's leadership our office is well positioned to continue to deliver for state agencies and employees alike so that they can continue the essential services that New Yorkers rely upon.

Thank you.

CHAIRWOMAN KRUEGER: Thank you. And you win the prize -- six minutes to turn back over.

(Laughter.)

CHAIRWOMAN KRUEGER: Sorry.

We've also been joined by Senator Jackson, who is the chair of Civil Services, and Senator Michelle Hinchey.

And are there Assemblymembers you'd like to name?

CHAIRWOMAN WEINSTEIN: Yes. We've been joined by Assemblyman Steck, Assemblywoman Lucas, Assemblyman Ardila, Assemblywoman Sillitti, and Assemblyman Jones. And Assemblyman Slater.

CHAIRWOMAN KRUEGER: Great, thank you.

And we're going to start with

questions from our Labor chair, Senator Ramos.

SENATOR RAMOS: All right. Buenos tardes. Hi, Commissioner Reardon.

COMMISSIONER REARDON: Hi.

SENATOR RAMOS: Good to see you.

COMMISSIONER REARDON: Thank you.

SENATOR RAMOS: Let's start -- I want to ask, you know, a few months ago the Governor had agreed to give healthcare workers a raise of $3 above the minimum wage, but now in this budget proposal she's taking it away. What gives?

COMMISSIONER REARDON: So they are getting the $3 above the minimum wage. They've gotten two already; they get the third dollars I think in October. And I think what you're referring to is the indexing, which they are not included in.

I think the thinking there was this was a particular area that needed stabilization, and we wanted to make sure we had a steady pipeline of people coming into the home care field because it was very, very

necessary. And it has worked. We have I think a 33 percent increase in employment there.

SENATOR RAMOS: Why do we keep leaving home care workers and other domestic worker types outside of benefits that are given to other workers? Why are they less?

COMMISSIONER REARDON: So right now they're ahead of everybody else. They're $3 above -- by October they'll be $3 above the minimum wage. And if the indexing -- with the indexing they catch up with the minimum wage, then I think you'll have a conversation about whether or not it's time to increase that minimum wage again for that particular segment.

But they are right now above other workers --

SENATOR RAMOS: Well, I think the minimum wage should be increased for everyone. And it actually concerns me to see that the Governor's proposal includes indexing without easing. It also includes a cap at 3 percent and a bailout plan if

unemployment U-3 goes up to 0.5 percent.

You know, no other state has such a cap, or any off-ramps. Why should we?

COMMISSIONER REARDON: I believe other states do have caps. I don't know about the off-ramps. But --

SENATOR RAMOS: What other states have caps?

COMMISSIONER REARDON: I believe California does. I'd have to check and get back to you. I don't think we're the only one with a cap.

It's not the same number, but there is a cap. But I can get back to you with that information. I believe -- you know, we're very supportive of indexing the minimum wage.

SENATOR RAMOS: I appreciate that.

You know, by 2026 Washington, D.C. and Denver, their minimum wage is going to hit about $19. San Francisco will be over $20. And Seattle will be at 21. But under our Governor's proposal to raise the minimum wage, New York will only be at $16 by 2026. Do you think that's right?

COMMISSIONER REARDON: I support the Governor's plan, and obviously it's something that the Governor and the Legislature will have to work out together. And whatever you decide is the law I will happily enforce.

SENATOR RAMOS: Okay. Well, let's move on to unemployment insurance. You know, Uber and Lyft still haven't paid their bill. I asked this question at the budget hearing last year. Right before the pandemic Uber and Lyft drivers were granted access to unemployment insurance and definitely used it during the pandemic. At what point do we tabulate their bill and make them pay?

COMMISSIONER REARDON: That is currently under -- it's in the legal courts, so I'm not going to be able to comment on any of that.

SENATOR RAMOS: Okay. Would you agree that PUA served as a lifeline for workers throughout the pandemic? Has the DOL done any research on its lasting effects?

COMMISSIONER REARDON: So PUA was created by the CARES Act, and Congress

realized immediately with 1.9 -- well, in our case, 1.9 million New Yorkers lost their jobs in 60 days. By the end of April we had almost 2 million people on unemployment that had not been on unemployment in February. It was an avalanche of need, and it went across the entire state. It didn't hit just a certain kind of employee or nonemployee, you know, the classification. So the CARES Act carved out a new kind of aid for people who would not have been eligible otherwise. And we supported that.

SENATOR RAMOS: You know what I'm getting at, right? So folks who had been eligible for PUA now are left without a safety net because PUA has ended. Right?

COMMISSIONER REARDON: Yes. Because they are not -- unless they are considered employees, they are not eligible for unemployment insurance. It's a federal regulation.

SENATOR RAMOS: Would you say that the Excluded Workers Fund was successful?

COMMISSIONER REARDON: The Excluded

Workers Fund was a very targeted fund and we are very proud of the work we did, and have distributed $2.1 billion to those communities.

SENATOR RAMOS: I thought it worked very well, it just wasn't enough money. We need more money. And so now in knowing and learning our lessons from the pandemic, we're trying to establish a more permanent fund with the unemployment bridge program that wouldn't only help those who were eligible for our Excluded Workers Fund but also those who had benefited from PUA.

I'm hoping that we can count on your support in that effort.

COMMISSIONER REARDON: You know, it's an interesting conversation. I haven't -- I don't comment on legislation. I simply enforce it when it becomes the law.

SENATOR RAMOS: All right, so going back to UI specifically, what reform is being done to address the funding issue?

COMMISSIONER REARDON: You mean the state -- the state -- okay. So that is a

metric that's controlled by the federal government and the state. The federal government has the FUTA bill that people are getting now, and that is a regular payment to restore the loan that went in to bail out New York State because we had to pay out benefits by federal regulation.

There are three bills that businesses get. FUTA is paying off the loan. The IAS is the interest assessment, and that is by New York's law, businesses are on the hook for that. And then there's their regular bill, the bill is their experience rating that goes to pay for this year's benefits as well as restore the New York State Trust Fund.

SENATOR RAMOS: Mm-hmm. Okay. I want to ask about DOL enforcement. I saw that in the budget proposal there is -- it includes an expansion for adding a few workers to the DOL, which is very exciting. I'm thrilled.

COMMISSIONER REARDON: Me too.

SENATOR RAMOS: What are they going to do?

COMMISSIONER REARDON: So we are busy hiring. Thank you to all of you for the $25 million we got in last year's budget. We are busy hiring people as we speak. And thank you to Civil Service for helping us in this regard. It has been a struggle sometimes. And my fellow commissioner has helped smooth out some of those problems.

One thing everybody knows from your own constituents, hiring in this market is very tough. And we are making sure that we reach into all the communities that we can to find the right people to do these jobs. And we're training them up as fast as we can.

As of about this date, I think we have hired an additional -- it's over 1100 new employees over the last year. So we are making great strides.

SENATOR RAMOS: How many in enforcement?

COMMISSIONER REARDON: I don't have that number in front of me. I can get it to you.

SENATOR RAMOS: I mean, I would

appreciate that. I'm increasingly, you know, concerned about the conditions we're hearing at different workplaces, the wage theft that continues to be rampant and has actually tripled since before the pandemic. And I only say that because actually the money that's been recovered has tripled, so I can only imagine how much wage theft is actually taking place. And of course we want to make sure that we are helping all of those workers.

What else is needed here to further -- to help your enforcement efforts?

COMMISSIONER REARDON: So I am open to any conversation that you want to have about how we do enforcement. It is a very important part of what we do. We are -- you know, one of the things we learned, one of the hard lessons we learned during the pandemic is you can't staff your way out of a crisis. You need a lot of help, and a lot of that help is tech.

So we are -- we have rolled out new tools for our inspectors so they're not

having to go back and write things on their computers in their offices, they can do it in the field. It expedites their work.

We have the new wage theft tip line where workers can call into the tip line, speak in 13 different languages, make their report. It goes right into the agency.

SENATOR RAMOS: Anybody actually visit the businesses where we know wage theft tends to happen? So for example, you know, we have the executive order from 2019 that did away with the tipped wage for nail salon workers and car wash workers and others. But does anybody actually go to every car wash to make sure that the $15 at least are being paid --

COMMISSIONER REARDON: We are a tip-driven agency --

SENATOR RAMOS: -- nail salon workers?

COMMISSIONER REARDON: -- so no, we do not visit individual -- we don't do sweeps, like that. But we follow up every tip that's given to us.

SENATOR RAMOS: Okay. Well, I -- it's an increasing concern to me. I even hear of

human trafficking stories having to do particularly with nail salons --

COMMISSIONER REARDON: Yes. And we follow up -- we have a whole unit that works on that. It's a tragic part of our world and it has obviously grown during the pandemic. And it has also grown with new people coming into the country who are very, very vulnerable.

SENATOR RAMOS: Yes. I mean, in fact, I think it was in Lewisville, New York, upstate, where recently -- and I spoke to the head of NYSERDA about this -- where we saw a huge car accident where six migrant workers were killed on their way, I believe on a Sunday, to go work and install solar panel equipment. So that's of deep concern to me.

Anyway, thank you, and thank you for your work with the Farmworker Wage Board. I appreciate it.

COMMISSIONER REARDON: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: We go to the

chair of our Labor Committee, Assemblywoman Joyner.

ASSEMBLYWOMAN JOYNER: Thank you so much.

Okay, so I have a couple of questions. I'm going to first start with the first topic on unemployment insurance --

CHAIRWOMAN WEINSTEIN: Ten minutes on the clock, please.

ASSEMBLYWOMAN JOYNER: Okay, the clock, reset the clock. Okay, I have ten seconds of Senator Ramos's time.

We'll start first with workers and employers. As you know, both have been negatively impacted by flaws in the UI system. So I'll first start with workers with regards to fraud. We've heard stories of claimants who have been victims of identity fraud or being locked out of ID.me.

I wanted to know, first, what measures has the department been using to prevent UI fraud and ensure that workers are obtaining much-needed benefits?

And the other issue that is greatly

impacting workers is the overpayment issue. The federal government has made it clear that it does not want money back that -- and it has authorized states to waive overpayments. So my question is simply, why hasn't the state waived overpayments? And how has the process for giving notifications and waivers for overpayments been made to claimants who receive these overpayments at no fault of their own?

COMMISSIONER REARDON: So let me start with the overpayments. We are -- people have the opportunity to apply for a waiver, and we are reviewing them quickly. It's not a long process. And a large, large, large percent of them are given the waiver.

So there is an urban myth out there that we not doing overpayment waivers. That's not true. We have actually applied to the federal government for blanket waivers. We have not received any confirmation back, so I don't know what the status of that is.

But if you are a victim of overpayment, you can apply for a waiver. And

it's generally on equity and good conscience. It is a pretty streamlined process now, and people get their answers usually within two weeks. So they should -- if they feel that they are being asked for something they shouldn't be asked for, they should absolutely go on the website and do it. We have a lot, a lot of public comment, you know, social media, we sent -- we sent 125 million emails and texts to our customers during the pandemic. This was one of the things that we texted and emailed about.

The word is out there. If people don't know, I'm happy to increase that kind of communication. But it is absolutely -- you know, we are granting these waivers at a pretty rapid clip.

ID.me. Nobody should be locked out of ID.me. If people are having trouble with it, there are other ways for people to confirm their identity. Again, we streamlined that. When we first set it up there was confusion; nobody had ever seen this before. But -- and we understand there are populations who don't

have the technology or they may not be comfortable with the technology, or there may be a language issue. So we have got different workarounds. Nobody should ever be denied their benefits because they can't handle ID.me.

However, ID.me was the single strongest weapon that we had to shut down the international cybercriminals who had stolen people's identities across the state. And without it, we would be awash in more fraud. We can look at the numbers and see, as soon as ID.me came in, the fraud numbers began to trickle down. And I'm glad we have it.

ASSEMBLYWOMAN JOYNER: Okay, so my next question is with respect to the impact on employers. As you know, many employers are paying down the UI Trust Fund debt.

When will they expect to see a decrease in their contribution rates? I know that the numbers shared by DOL projected a repayment schedule of a five to six year timeline. Is that still accurate? Are we still on schedule? And does the department

have projections as to what employers' contribution rates will be during that repayment schedule?

COMMISSIONER REARDON: We do have projections. I don't have them in front of me. I can get them to you.

The FUTA tax -- the FUTA -- it's not a -- the FUTA, it's the Federal Unemployment Tax Act, dictates what the state businesses have to pay to pay down the balance of the debt. We had to borrow money from the federal government. That is a federal law. We cannot not pay UI benefits. So that's what that is, and it's on a steady track. It's to make sure that steady payments are made into the system on a regular basis.

I can get you the rates. They know them; I don't have them memorized. But it is five or six years, and then we will be out of that situation.

ASSEMBLYWOMAN JOYNER: Okay. And I know we've already paid off a billion. Will rates decrease as the deficit also decreases?

COMMISSIONER REARDON: So the rates --

remember, we have three different things that people are paying on. The FUTA rate is set by the federal government. This year and next year, it's the same. It probably does go down, but I don't know. Let me find out for you for sure.

But also when people say rates, they're thinking about their individual UI bill that they pay every year. That is based on your experience rating -- you know, how many people have left your employment, you know, not of their own volition. I'll remind everybody that during '20 and '21 we forgave, we forebeared any experience rating on businesses. They did not pay -- everybody had people on unemployment because the businesses were shut down. They didn't do it voluntarily. So we didn't assess anybody an experience rating in those years.

We know by our calculations that in those three years, counting this year, each business was saved approximately 800 and I think 32 dollars per employee. So in those three years we actually saved businesses

money by not dinging them on the experience rating.

ASSEMBLYWOMAN JOYNER: Okay, the next question I have is regarding partial UI. I know in your testimony you mentioned the four-year UI modernization plan that you are implementing. We gave an extension of one year in last year's budget. And simply -- I was told I need a yes or no response -- is DOL prepared to implement this partial UI system and to -- when is the department expected to complete and implement this modernization?

COMMISSIONER REARDON: Well, people can get partial UI right now. It's not being denied to anybody. It's just more of an onerous thing for us to do. It's not online because it's not in the system.

If we were to put it into the old system right now, we would have to stop the modernization for a significant period of time to put a patch on an old system that would stop as soon as modernization came in. It just doesn't make sense. So -- and we've

spoken about this freely. We've sent letters. It's not a secret. You can get partial UI right now. It just takes more time for us to do that because it's not automated.

But as modernization rolls out, that is definitely going to be part of the mod, and it will be an entirely different system. I am very fond of partial UI. I think it helps workers. But right now we can't automate it because we are in the middle of modernizing our ancient COBOL system.

ASSEMBLYWOMAN JOYNER: Okay. My next question is regarding agency operations. We know that DOL needs staff. There's a lot of enforcement activities that need the attention of DOL staff. In last year's budget we allocated an additional $24.6 million to support the agency. However, we've been seeing an alarming decline in staff members. We see a drop in the number of full-time staff and an increase in provisional and temp workers.

How can you assure us that we will see

an expanded oversight and enforcement of the state labor laws? And also what is being done to on-board and train provisional and temporary workers?

COMMISSIONER REARDON: So I'm not sure where the information came from, but we have been working very, very seriously to transition our provisional and, you know, temporary workers into full-time status as quickly as possible. Some of that involves my friend Tim's, you know, tests. They have to -- some of the civil service, they have to take the test and be available for that position.

But we're working very hard, we're working very closely with our unions to make sure that we can move those people as quickly as possible, because we value them as full-time employees as well.

So I don't think we are seeing a diminution of full-time workers, we are actually trying to reduce the number of part-time workers or temporary workers, so-called.

We have -- as I said earlier, we've hired over a thousand new employees and we are looking for more. And, you know, we are very thankful for the $25 million that you gave us last year. We are using it to the best of our ability. Again, as everybody knows from your business colleagues, hiring is tough in this market. But we are making a concerted effort because we want the best people doing this work for the state.

ASSEMBLYWOMAN JOYNER: Okay, yes. The data that we were provided, it's showing an increase in provisional and temp workers from 1 percent to 10 percent.

My next question is regarding workforce development programs and funds. In 2018 we enacted legislation that would require DOL to create an online database containing workforce development training programs in New York State. What's been the status of this database? When can we expect it to be available on the DOL website?

And the second question regarding workforce development is, you know, we see

that it's difficult to help underserved communities become aware of different job opportunities, so what can be done better to serve these populations?

COMMISSIONER REARDON: So you are actually talking about -- I'll take the second question first. Reaching into underserved communities is a really important piece of what I think we do, and we're really upping our game. One of the things that I insist on -- two things. We meet our customers where they are. We are no longer going to have a system where you need to fit into a box of some kind in order to get our services.

I don't care what language you speak, I don't care what religion you observe, I don't care what part of the state you live in -- none of that matters. I want to help New Yorkers find careers they love and be successful. So we are very focused on that. We have a lot of language access. We do a lot of work in communities. We've started out-stationing our senior staff in DUES, in

the workforce development part, and they're going out into our various Career Centers for several days at a time to sit with the community and understand what the issues are in those communities so we can better refine our processes.

ASSEMBLYWOMAN JOYNER: And we have 15 seconds, so if you can get to the other --

COMMISSIONER REARDON: The database.

ASSEMBLYWOMAN JOYNER: Yes.

COMMISSIONER REARDON: It's up and it's running. It's been up since last year.

ASSEMBLYWOMAN JOYNER: Okay, great. Thank you.

CHAIRWOMAN WEINSTEIN: To the Senate.

CHAIRWOMAN KRUEGER: Thank you.

And we have our chair, Robert Jackson, for Civil Service, 10 minutes on the clock.

SENATOR JACKSON: Sure, thank you.

So I was going to say good evening, but good afternoon. So let me thank you all for coming. And obviously this is very important for the people of New York State.

So I guess my first question to you,

Commissioner, Department of Labor, can you tell us where we are in upgrading the system so that we can stop as much of the fraud that allegedly has occurred in the past?

COMMISSIONER REARDON: During the height of the pandemic -- actually, the very beginning of the pandemic, we began to realize that there was a new kind of fraud that was hitting our system, one that we had never had before. And this was identity fraud, and it was done by international cyber-rings, and they had people's personal identifications -- your name, your Social Security number, your address, your last employer, perhaps your salary range. Your claim looked like a real claim to our system.

So that presented a huge hurdle for us to figure out how to stop it. We worked with other states, we worked with the federal government. We quickly realized we needed technology, so we worked with Google and other places to figure out ways that we could do better geofencing and matching and the kinds of things that we did.

The problem with the CARES package was they intentionally reduced the eligibility criteria for people who were eligible for those new federal programs. The first year of PUA, all you had to do essentially was check a box that said "I was unemployed by the pandemic," and you were eligible. We had no employer to talk to, we had no wage records to pull -- this was how we usually verified claims.

At the end of that year, the federal government changed the requirements, and that's why people then had to send in more proof of employment. But that first year we had over $300 million a month going out the door in fraud because it was so easy to do.

We now have ID.me. The minute we got ID.me up and running, fraud began to decline. We then -- about six or eight months later, we got multifactor authentication. Again, fraud immediately began to come down.

We have other very sophisticated systems that I won't talk about in public because I don't want to tell them what we

have, but it really began to reduce the fraud. In 2022 we paid out $2.5 billion in benefits. We only lost $388,000 to fraud. So you can see the third year, without the federal benefits and with all the other stuff we were able to put on the system, we've tightened it up a lot.

There's always fraud. It's always a problem. But we are on top of it, and the modernization system will be even better. And please, I can't wait for modernization to come on board. Probably more than you.

SENATOR JACKSON: Thank you.

So my next question is for Michael Volforte, the head of the GOER. You indicated the labor agreements that you've reached with -- do we have state labor unions that have not reached agreement and have expired contracts? And where are you at in trying to move those contracts?

DIRECTOR VOLFORTE: We currently have one union that has an expired contract, and we're in active negotiations with them.

The remaining unions either have

contracts that expire this year or years into the future, and we're engaged with a number of those unions where we're actually starting negotiations in advance of expiration and hope to reach agreement over the coming months with a number of those unions.

SENATOR JACKSON: So one of the things that I hear about state service is it takes too long to get things done. So do you have enough staff to move contracts where we're not dealing with contracts that have expired? People get a little frustrated when things are taking so long to get things done.

DIRECTOR VOLFORTE: We believe we have enough staff to deliver on negotiating contracts.

I would simply say that when contracts settle, it isn't always a function of necessarily one side or the other. You know, sometimes there's a lot of issues that come up and negotiations don't always start before they expire. Sometimes negotiation start afterwards. So it's not entirely consistent that things get delayed because negotiations

start at a point in time, because that's really dependent on the parties agreeing when they start.

So it's not always the case that there's delays because of staffing or other things. Sometimes there are choices made in terms of when timing starts for negotiations.

SENATOR JACKSON: Okay, now my next question is for Commissioner Hogues.

Congratulations on your appointment as commissioner.

COMMISSIONER HOGUES: Thank you.

SENATOR JACKSON: So I'm talking to a lot of labor unions, obviously; I chair the Civil Service and Pensions Committee. And so they talk about that it takes too long to move in order to get people appointed.

So what have you done so far in order to modernize the civil service system as far as pay structure and as far as examinations and things like that?

COMMISSIONER HOGUES: So thank you.

So I believe throughout this testimony you heard a lot about modernization, and so

Civil Service is taking that same approach to figure out how we can deliver, test more efficiently and effectively, and get the results in a condensed time frame.

And so one of those tools that is in our proposal is a continuous recruitment proposal that allows for us to offer tests on a regular basis and for those eligibility lists to be refreshed on a regular basis so that agencies have access to that.

We also are on the technology front to offer exams online. We've transferred some of our most popular exams from in-person, filling out the bubbles, to an online training-and-experience-type exam which has allowed us to serve a lot of individuals in a condensed time frame and more cost-effectively as well.

SENATOR JACKSON: And in speaking with the various unions, the continuous recruitment process and examinations so that you don't have to schedule an exam and people have to wait for the exam and things like that, have you consulted with the unions PEF,

CSEA, Council 82? And what are they saying?

COMMISSIONER HOGUES: Yes, we have, and they're for it. They're behind it. I talked to -- actually, I talk to PEF the most, and they have been pushing this.

We've also met with the Council of Mayors for New York State as well as NYSAC, and they are asking for this to be done. Because we know that lists right now, the system that we have right now, it just takes too long and we're not competitive with the private sector. And so this is just one of the ways that we are trying to reduce the time that it takes to bring talent into state government.

SENATOR JACKSON: Now, I do understand that PEF and others have expressed concern about the amount of contracting out of services that they feel if in fact the staffing was up to par, that they could handle as professionals that work inside the state government. And $1.3 billion I think in new appropriations, and 1.13 is reappropriations. But the total, to my

understanding, is over 9,000 employees, full-time-equivalent employees are basically being contracted out to private contractors that can done by the state workforce.

COMMISSIONER HOGUES: So there's a balance, right, and we have to figure out what that appropriate balance is. Sometimes you have short-term projects where it makes sense.

But for the most part, we are really looking at how do we compete, how are we more efficient and effective in not only the on-boarding but the recruitment and the retention of the state workforce. And so a lot of those things are in our proposal, and we look forward to the partnership and moving forward to really being able to compete and rebuild a more diverse and inclusive, talented workforce.

SENATOR JACKSON: I know -- can you tell me what has occurred within the past year as far as upgrading nurses? Because obviously the State of New York has contracted out for nurses because there were

not enough nurses.

What are we doing to recruit nurses into the state system, if you don't mind.

COMMISSIONER HOGUES: Sure.

So as you're probably aware, in 2022 we completed one of the -- a major reconstruction of our nursing titles where a bunch of nurses got upgrades as far as the pay and starting salary. We also introduced regional differentials. And we're continuing the Nurses for Our Future program which supports tuition.

And so we will continue to look at what we need to do. Part of our proposal is to do a comprehensive study of the civil service pay structure. And so we're hoping that will yield some guidance and direction for us to move forward, not only for our nurses but, across the state, we know we are competing with the private sector in areas we are losing.

So we're hoping that will produce some critical information to give us some direction.

SENATOR JACKSON: Well, I think we all agree that we're competing with the outside market. And so I would like to make sure that we, you know, shine our shoes, brush our teeth, you know, be ready as a state in order to go out there and recruit the people that we need to join the civil service system and make us all proud. So that's what I think that we need to do.

Thank you. Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: We go to Assemblywoman Pheffer Amato, chair of our Governmental Employees Committee.

ASSEMBLYWOMAN PHEFFER AMATO: Good afternoon. Thank you all for your testimony.

That's really loud, huh?

(Laughter.)

ASSEMBLYWOMAN PHEFFER AMATO: We just -- the Senator just referred to the continuous recruitment positions. This is for Commissioner Hogues. How much of the current backlog of vacancies is this expected

to address?

COMMISSIONER HOGUES: So as you're aware, the pandemic caused a lot of tests not to be held. Civil Service currently relies on schools, high schools and other places to be able to administer our civil service exams. To knock on wood, we are pretty current as far as the testing schedule.

But when we talk about the game-changing opportunity for continuous recruitment, right now we have to prioritize our agencies' requests. So we talk to our agencies and say, Hey, what are your priority titles that we can hold exams for? We're talking about flipping that upside down on its head and saying, Hey, let's be more efficient and effective.

Commissioner Reardon talked about technology. That plays a huge key in this. And so when we talk about going from just pencil and paper to online continuous recruitment, and also talking about being in some of the DOL centers, having staff that is doing outreach -- and we know that there is a

digital divide, and so we're not only doing outreach as far as online and social media, but we're looking at getting into communities with community-based organizations, to reach those individuals to educate them about the opportunities in state government as well as demystifying the "how do you get in." Right?

And so that's what I'm hearing on a regular basis: How, why, and what. How do you get in, why is it so difficult and confusing, and what are you going to do about it? And I think the proposals in here really take a step forward in addressing that.

ASSEMBLYWOMAN PHEFFER AMATO: So you feel that the backlogs will really be addressed once all these -- the how, what and where, who, why and when kind of get filled in?

COMMISSIONER HOGUES: Yes.

ASSEMBLYWOMAN PHEFFER AMATO: So the backlog will start getting a nice flow and we'll get the workforce flowing, I guess is the right word.

COMMISSIONER HOGUES: Yeah. And

that's -- like I can't emphasize this enough, we continue to compete with the private sector. And so I'll go back to the study, the review of civil service at all titles, to see where they are.

To look at how we value titles is important too. In the past we weighed heavily on individuals that supervised. So we also know that we have some technical titles that don't need to supervise anyone, but we need that technical knowledge and we need to pay them appropriately.

And so all of this together will help us to get rid of that backlog and be able to compete.

ASSEMBLYWOMAN PHEFFER AMATO: Great.

So in that same notion, what agencies and titles do you think will most be affected by this? You know, you could say all. But, you know, which ones really?

COMMISSIONER HOGUES: I mean, so they are. So we talk about a lot of the direct care, outward-facing agencies. That's huge for them. In my testimony I talked about the

HELP program, the Hiring for Emergency Limited Placement program, because we know that we have to do -- we have a balancing act to perform.

So we have to do and we appreciate the merit of fitness, but we've also heard from agencies saying, I don't have enough people to serve the public right now. So they say, Hey, what are we going to do? And so we sat down and started talking through this, about how we can help them now. And so the HELP program impacts over a hundred titles across agencies to look at individuals that meet the minimum qualifications. They can get into state government right now. And then in a year's time they come back to the Civil Service Commission and we can flip them over to competitive and they can continue their career advancement.

So we're looking at a parallel path to this problem to really impact it. But we know we have to do two things. We have to solve it now, we have to look at short term as well as long term.

ASSEMBLYWOMAN PHEFFER AMATO: Great. The Executive Budget recommends nearly 23,000 new hires. So which positions has the state found to be the most difficult to recruit and retain those employees?

COMMISSIONER HOGUES: So once again, it's those direct care. We all know, we hear about it. Some titles aren't as desirable as others. But quite frankly, it's across the board. So it's -- every agency head I talk to, they're talking about, Hey, how do we do this and how can we do it quicker and faster.

And so I want to get a -- I believe the package that we have in front of you really takes a major step forward as a total package. Individually, the pieces won't work, but when we look at them comprehensively, that's when we really start moving forward.

ASSEMBLYWOMAN PHEFFER AMATO: We have to compete with the private sector for sure.

What is needed for the state to address the critical vacancies to prepare for an increase -- sorry. What is needed more

for the state to address critical vacancies and prepare for increased retirements over the coming years?

COMMISSIONER HOGUES: So we're always looking at planning to -- sorry that the phrase is slipping my mind. But we're always looking at how do we put ourselves in the position to be successful as individuals leave the -- leave --

COMMISSIONER REARDON: Succession planning.

COMMISSIONER HOGUES: Succession planning, thank you. So that's why this is my partner here.

(Laughter.)

ASSEMBLYWOMAN PHEFFER AMATO: That's good. Good. Good teamwork, I like that.

COMMISSIONER HOGUES: Yeah, succession, she knew what I was talking about.

We're always looking at succession planning because that's critical. I spent a bunch of years in the private sector, and that was always a hang-up. And so state

government is no different.

And so we are working with agencies to put plans together. We believe that the impact of COVID, where we saw the mass exodus of individuals, we believe that is starting to slow down. And so now, like I said, we are really focusing on that marketing campaign, getting out and meeting individuals where they are, and really pulling in that workforce to replenish and rebuild to the levels -- not only pre-COVID, but to meet the demand and the expectations of the future.

ASSEMBLYWOMAN PHEFFER AMATO: Great. Thank you for that.

Regarding the establishment of the Centers for Careers in Government across the state, how many centers will there be?

COMMISSIONER HOGUES: We're looking at 12.

ASSEMBLYWOMAN PHEFFER AMATO: And where will the centers be located? Will they work with the schools and universities to connect with the potential candidates?

COMMISSIONER HOGUES: Yes. I'm so

glad you asked that question.

And so a theme that you've heard is meeting individuals where they are. We are really looking to be more accessible, having dedicated space, because COVID has taught us a lot. So individuals say, Hey, you can't come in here because we don't know what COVID is, and it grinds to a screeching halt.

And so this gives us the opportunity to be in those communities, be accessible on bus lines and public transportation, and allows for us to have individuals that are experts, subject matter experts in civil service to break down that who, what, when, when, where, how, why. And to go into communities and to work with community-based organizations that know the territory, to get those individuals the information that they need to be able to participate. As well as running civil service exams six days a week. Right?

And so that's an accessibility issue. I've talked to individuals in the community, and they say, Hey, sometimes a Saturday just

doesn't work for me. Right? Saturday in the morning just doesn't work for me, I have childcare issues, I have other stuff. And then if an individual misses that opportunity, sometimes they have to wait one, two, three, four years for the next opportunity.

So that's why, in conjunction with the continuous recruitment, all of this stuff goes together to, like I said, rebuild the New York State workforce. And it makes it easier and more accessible for individuals that are interested in joining the state workforce to be able to participate.

ASSEMBLYWOMAN PHEFFER AMATO: So you talked about CBOs. So would these centers serve as testing locations, like the CBO would be?

COMMISSIONER HOGUES: Yeah, so we're working with SUNY and CUNY locations across the state to establish state-operated testing facilities. And these will run six days a week. And so they will be able to come here to get the information about civil service

opportunities, they'll be able to take exams here. If an individual doesn't have access to a computer or WiFi, they will be able to take online exams at these locations.

And so we -- once again, I don't want to underestimate, but we understand that yes, digital and viral is the way to go, but we also understand that there's still somewhat of a digital divide. So we're trying to address all those barriers.

ASSEMBLYWOMAN PHEFFER AMATO: Great, thank you.

And for my 33 seconds, Director Volforte, the executive proposes maintaining pay equity with the private sector. How is the pay gap between public and private sector currently, and how much will this cost over the next five years to implement?

DIRECTOR VOLFORTE: I don't think we know exactly what the difference is. I think the difference will depend on titles. you know, certainly we know in certain healthcare titles we are -- there's an ever-increasing demand and limited supply, so that keeps

driving the price up and up and up for everybody, not just the state.

But part of the proposal is a study to work on that, and then we'll find out what those numbers are.

CHAIRWOMAN WEINSTEIN: Thank you.

To the Senate.

CHAIRWOMAN KRUEGER: Thank you.

Our ranker on Civil Service, Senator Weik. Five minutes.

SENATOR WEIK: Thank you so much.

Good afternoon, and thank you so much for your testimony today and for being so patient with all of our questions.

I've been meeting with a lot of my libraries and I'm noticing that -- so I represent Long Island, parts of Nassau County, parts of Suffolk County, and a lot of our libraries are complaining that they have very specific job titles. And they may find a qualified individual who maybe lives in the other county, and so they cannot give them that title in their library. And so they're left without someone fulfilling those job

responsibilities.

So how can we be more flexible, or can we be more flexible? I understand we have to pick locals first, and we have that provision for a reason. Is there a way that we can be more flexible so that we can meet the needs of our libraries?

COMMISSIONER HOGUES: So yes, there -- and so there's a little bit difference between state and local.

So local has jurisdiction and provision to be able to create local rules around how they operate. And so we provide advisement to them and technical assistance. And so I'm sure, if there's conversations with the local civil service division, that we could figure those things out. And if they have questions they can reach out to our municipal services division to provide that type of support.

But we've done that type of stuff in the past. And yes, I was a local civil service commissioner from Erie County, and so I can say yes, there are ways to work through

that.

SENATOR WEIK: Okay, thank you.

And so we are looking for -- you know, during these times I think we've seen something -- I used to work, I was the receiver of taxes in my town, and we had civil service employees in that. And of course as we went through the pandemic we really did kind of expect our employees to flex and move with the times, learn new technology and so on.

Is there a way that we can be more flexible in the titles? Because when we read the civil service titles, quite a few of them are very specific. Is there room for flexibility? Can we create that?

COMMISSIONER HOGUES: So at the state we have a class in compensation that reviews titles on a regular basis, and so there is that opportunity for titles to be reviewed and refined.

I know on a regular basis when I was in local government that every time we were about to fill a position we'd look at the

title to say, Does this still make sense? Are these still the job elements that this individual will be doing?

We saw some that were talking about typewriting skills and some other stuff that just said we haven't done that since I don't know how long. So yes, we should be looking at that on a regular basis.

SENATOR WEIK: We had that as well. We didn't even own typewriters.

COMMISSIONER HOGUES: Yeah.

SENATOR WEIK: So my next question, Commissioner Reardon -- first of all, I want to say thank you very much. In my previous district over the last two years we did have a huge outpouring of individuals who needed unemployment, and unemployment was reasonably responsive and we had really good outcomes, and so I thank you for that.

But now the conversation that I'm hearing is of responsibility in a different way, and people are really concerned that perhaps we're not aggressively going after -- to recoup fraud money, money that had been

taken that shouldn't be out there. And how aggressively are we looking to recoup those funds?

COMMISSIONER REARDON: Very.

So we have referred over a million claims to the federal government. It is a federal crime to steal this money. We are working with the FBI, we work with the OIG on the national level. We work with the state's Attorney General, we work with the district attorneys. If you go back through our press releases you'll see press releases about district attorneys going after people. We have a number of cases that resulted in large recoupments. We have pulled back half a billion dollars and counting. And it will take a long time.

Now, I want everybody to understand the money that was stolen by the international cyber-rings, probably very little of that will be recovered, because it's not here. And those people are not here. And that is -- that is a hard pill to swallow, I must say. But that is simply the

truth.

But if they're in the United States, if we have a way to identify them, we go after them. And there is no time limit. If you stole that money in 2020 and we discover in 2045 that that's who you are, we will go after you. There is no limit to that kind of pursuit. And, you know, we are not a law enforcement agency, but we're very happy to work with every law enforcement agency that will let us.

SENATOR WEIK: Thank you.

One last question, in my time.

Commissioner Hogues, what are we doing to recruit younger individuals to make sure that we have that civil service pool to pull from?

COMMISSIONER HOGUES: So, real quick, we are reaching out to, like I said, community-based organizations that have connections throughout the community. We are looking at high schools and colleges. As I mentioned, we are trying to set up testing sites on colleges--

SENATOR WEIK: I only have 2 -- oh, I'm sorry, I just wanted to, quick, a lot of these tests do require a certain amount of college education or experience. Are we looking to relax some of those?

COMMISSIONER HOGUES: We're looking at equivalency-type stuff.

SENATOR WEIK: Okay, good. Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: We go to Assemblyman DeStefano, ranker, for five minutes.

ASSEMBLYMAN DeSTEFANO: Good afternoon. Thanks for coming. Thanks for toughing it out with us throughout this process.

My first question is going to be for Commissioner Hogues. There's been some talk recently, there are numerous reports the Governor's lowering the reimbursement rate for our out-of-network doctors, impacting health insurance benefits for the over 1 million state employees and retirees who

use the Empire Plan. Can you explain how the administration came to this decision to change the reimbursement rate for out-of-network doctors?

COMMISSIONER HOGUES: So as I've mentioned, that the agreement between New York State and CSEA will save the state, local governments, and public authorities and enrollees over $300 million a year.

And so we have a very robust network, and so this will impact individuals that choose to go outside of the network. And so --

ASSEMBLYMAN DeSTEFANO: How would that affect -- how did that affect out-of-state workers who retired to like Florida or Colorado or wherever? How does that affect them?

COMMISSIONER HOGUES: So we -- once again, we have a network that spans across the country that is -- and we're always looking to bring individuals, organizations into our network to make it more expansive.

But when we took a look at it, some of

the charges for out-of-network were astronomical, and we just couldn't cover that. And once again, I have to emphasize that our network is pretty darn good. And the services and the providers in it are excellent. And so when we took a look at this, we said it makes sense to be fiscally responsible. And we believe that individuals have the opportunity to get the services and support they need in-network.

ASSEMBLYMAN DeSTEFANO: Okay. So is there an estimate of what we think this is going to save the plan?

COMMISSIONER HOGUES: And so that was the 300 million annually.

ASSEMBLYMAN DeSTEFANO: Is that in the Governor's budget, like the proposal's going to be added in that we're going to save this amount of money that's --

COMMISSIONER HOGUES: That -- that -- that is -- so that was in -- it's part of the contract.

ASSEMBLYMAN DeSTEFANO: Okay. Moving on, Governor Hochul has stated that the

state's public workforce has been facing a shortage of 12,500 workers, with more than 26 percent of the state workforce eligible for retirement in the next five years.

I know we kind of touched on it a little bit, but is there any real specific way of recruiting -- I mean, we talk about the communities and going into the communities and things. Is there any real specific ways of trying to recruit more people to come to the workforce?

As we all know, when we took these -- I've been a civil servant for 30 years.

COMMISSIONER HOGUES: Thank you.

ASSEMBLYMAN DeSTEFANO: I know what it is. But when we took these jobs back in the day, it was the idea that we weren't getting paid a higher salary but we had benefits to offset the salary that we weren't getting.

Where are we bridging the gap between what the public sector and the private sector pay, putting the health insurance and all the other benefits that come with it -- how do we get that message to the people that we are

just as viable as the private sector?

COMMISSIONER HOGUES: Well, thank you so much for that question. And part of our proposal is a marketing campaign that talks about how great it is to be in state government and choosing state government as a career.

And so we've done a lot of work with my partner to my right, DOL, to promote careers in government. And it's been successful. In our entry-level law enforcement, we had over a million hits to some of the marketing things that we did. And it was just taking individuals that are currently working for the state workforce, videotape them talking about the stuff that they do on a regular basis and how they value it.

And so there's a comprehensive approach to it. It -- it's -- like I said, some is going to be through social media. A lot of it is also going to be through boots on the ground talking with community-based organizations and those types to be able to

not only talk about opportunity but once again demystify what it is to enter into state government through the competitive ranks.

ASSEMBLYMAN DeSTEFANO: Thank you.

My last question is going to be for Commissioner Reardon. Remember years ago we had all those Zoomyland conferences about the antiquated system that we had? And at that time when we spoke, you said that you were going to be doing a lot more in upgrades to the system. Have we got there yet?

COMMISSIONER REARDON: We are -- we are in the last part of the modernization. I mean, the -- unfortunately during the pandemic our contractor had to -- not pause, but slow down a little bit in order to help us stabilize the old mainframe system so it wouldn't just blow up.

But, you know, we are getting there. We hope by the end of the year to roll out the mod, and it will be great.

ASSEMBLYMAN DeSTEFANO: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

To the Senate.

CHAIRWOMAN KRUEGER: Thank you very much.

Next up is Senator Hinchey.

SENATOR HINCHEY: Thank you. I was unprepared for this moment. Thank you.

Thank you all for being here and for your work. I'm going to take a shot and have my first question hopefully be for the commissioner. Tell me if you have an opinion here, knowing we don't have someone from PERB speaking today. With the farmworker bill and the movement forward with the regulations that you just put in place, it's more important than ever to have a properly funded and functioning PERB. I hear that both from farmers and farmworkers who are trying to call the agency and don't have people who speak the language, they don't have answers, it takes very long. And yet in the budget the funding -- a lot of that funding was cut.

Is there anything -- knowing it's not necessarily exactly your purview, but having a strong stake at this moment, you know, how

can we be better at making sure not only that they're funded but that now that we have these new regulations that we're actually being responsive and getting information out and doing it in a way that serves both the workers and the farmers?

COMMISSIONER REARDON: Is that a me question?

SENATOR HINCHEY: I'll open it to any of you because -- I think so, but --

COMMISSIONER REARDON: So I'll take a crack at it. You know, PERB is not in my lane at all. And so I think that it -- you know, if there are issues, I think people need to raise them. PERB is a small agency and I think the -- you're talking about the farmworker organizing part of it. And I think if there are issues, it just makes sense for people to raise those early and often so people understand that there's a need there.

SENATOR HINCHEY: Then I'll just put it on your radar: They are. They are raising them.

COMMISSIONER REARDON: I just heard yesterday, actually.

SENATOR HINCHEY: Yeah, they are raising them. And quite frankly PERB is not being helpful, they are not kind of in the place that they should be.

And so maybe we can all try to work together here to figure out a better path forward both in staffing and funding and others.

Quickly, my next question is for Commissioner Hogues. You know, we could have a whole other conversation as you're answering now on much of the civil service exam. But I'll raise in our communities -- I represent the Hudson Valley, and we have a lot of very small police departments who are struggling to recruit new members, and they're very important to our areas.

You know, some of the challenges they face are between lack of reciprocity between counties. And so, briefly, are you open or do you -- how do you see that? And do you see an avenue or a lane there to be able to

expand that option?

COMMISSIONER HOGUES: Yeah, that's a difficult question that we'd probably have to sit down and talk to further. Because there's the reciprocity issue that exists in state government, agency to agency and who has the funds. But I will be more than --

SENATOR HINCHEY: Would love to talk with you more about that. Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: Assemblyman Bronson.

ASSEMBLYMAN BRONSON: Thank you, Madam Chair.

And thank you all for coming and testifying. My questions are going to be for Commissioner Reardon. I also want to thank you for being so accessible and being a partner with us.

My first question relates to apprenticeships. And I know you're a fan of apprenticeships. I am as well and think that every industry should have apprenticeship

programs. But we passed the Empire State Apprenticeship Tax Credit a number of years ago, we have renewed it and extended it.

And my question is, how are we doing? Are folks taking advantage of that tax credit? And if so, do you have any data on that?

COMMISSIONER REARDON: First of all, thank you very much for passing that, because it has really helped us expand apprenticeships. It is really great. People get an extra bump if they work with disadvantaged youth, and they also get an extra bump if they have a mentoring program. Really smart add to that.

We had 63 applications last year in 2022, which considering a pandemic year, really good. We had 85 tax credit certificates issued in '21. The credits totaled approximately $700,000. It is a really robust opportunity. We want to expand it everywhere.

And I'd just say that two of the new apprenticeship programs that we have this

year -- Steinway Pianos has a new registered apprenticeship program where they learn to build a Steinway piano from beginning to end. And Tiffany's now has a registered apprenticeship program for jewel-setters. And I visited both of them. It is amazing. It is an incredible opportunity for young people -- middle-aged people. They're not all really young -- to get really great training and have a fabulous career.

So thank you.

ASSEMBLYMAN BRONSON: All right, great. That's good news. I'm glad that the program's working.

Chair Joyner asked this question about the legislation we passed in the 2017-2018 cycle that would require a searchable database catalog online. I'm glad to hear that is up and running. I'm sad to tell you I've had three staff people look for it online and could not find it. So we need to do some work in that regard.

And the question is --

COMMISSIONER REARDON: It's on the

New York State Open Data website. It's not on our website.

ASSEMBLYMAN BRONSON: Ah, maybe that's why.

COMMISSIONER REARDON: Yeah. Yeah.

ASSEMBLYMAN BRONSON: Okay. So the question is this. Does it include job training programs that are not through the Department of Labor but might be through SED, SUNY or ESD?

COMMISSIONER REARDON: So we gather information from all the state agencies that have workforce programs. We also have the eligible provider training list. And we are beginning an inventory of training programs with an emphasis on regional pipelines, and we're going to get them published in a more friendly format than an Excel file, frankly.

We are working very closely with SUNY and CUNY on all of this. And again, we want to make it more robust. You should be able to find a training program easily.

ASSEMBLYMAN BRONSON: One quick question, yes or no: Does that information

include outcomes?

COMMISSIONER REARDON: I don't think so.

ASSEMBLYMAN BRONSON: Thank you.

CHAIRWOMAN WEINSTEIN: Senate.

CHAIRWOMAN KRUEGER: Thank you very much.

Next is Ranker Jack Martins on Labor, five minutes.

SENATOR MARTINS: Commissioner, how are you?

COMMISSIONER REARDON: Good afternoon.

SENATOR MARTINS: And Commissioner and Director.

I believe in the dignity of work. I Believe it's important for us to make sure that we put New Yorkers to work and that they're paid a fair wage. And I think that sort of drives our vocation here, certainly for me on the Senate Labor Committee.

To that end, I hear from our building trades that we have all of this work that we put out -- prevailing wage work, work that requires certified payrolls. And that

there's a concern that there's no one actually checking, verifying that people are complying with those requirements. And from time to time someone is caught. But there's a sense, certainly in the building trade community, that it's much more prevalent, and they hope that there's going to be an enforcement mechanism.

Can you speak to that?

COMMISSIONER REARDON: So I have not had anyone raise that to me in that particular way.

We -- you know, we -- again, we follow tips. When somebody registers a complaint, we go out and pull it -- we pull a lot of these payroll devices all the time. Let me talk to my worker protection people and see -- actually, probably more like public work than worker protection. But let me see if there's other ways that we could enforce it.

I have not had the construction trades bring this to me, so I'm a little surprised. But I'd be happy to look into it.

SENATOR MARTINS: I've been hearing about it for years. And certainly --

COMMISSIONER REARDON: Well, they should talk to me.

SENATOR MARTINS: Well, I have spoken to you in the past about it as well, Commissioner. So we'll -- we'll revisit it.

For our civil service list, Commissioner, I have a -- Hogues, excuse me -- I have a request. I come from Nassau County. We have fire marshals in Nassau County in particular that are desperately in need of lists and tests. And since I'm here, I'm taking the opportunity to place that and would like the opportunity perhaps to go back and look.

I know that we have an opportunity -- and there is always some difficulty in making sure that lists and tests are current. But some of these may go back a few years. I would just appreciate it if you'd look into that. Because again, there are opportunities for employment, they're restricted from being able to employ people, especially when we're

dealing with emergency services personnel.

And I would certainly appreciate it, and I'll follow up with you after this hearing.

COMMISSIONER HOGUES: Yes, I am definitely open to it.

SENATOR MARTINS: But I heard earlier that the lists are current. Some of them have -- that are more popular have been put online. And so I would just ask, with respect to fire marshals and emergency fire services, perhaps if you would go back and check on those lists to make sure that they are actually current.

COMMISSIONER HOGUES: Yes. I most certainly will.

SENATOR MARTINS: And Commissioner Reardon, going back to unemployment insurance. You know, there's a real concern out there -- I know we've all heard it. You've heard it from some of my colleagues already.

You know, is there -- has there been a discussion or is there the possibility -- we

understand that the state does have a surplus this year. We also understand that there was a tremendous amount of money spent during the pandemic to keep people employed. We are now repaying that debt to the federal government.

Is there any discussion with regard to providing relief for small business owners to allow for some of that unemployment insurance debt or payment to actually be ameliorated?

COMMISSIONER REARDON: So again, because we did not do the experience rating for the two years, every business got $836, approximately, for three years for each employee that they had. So there has been some relief already.

The repayment of the federal loan for the -- to make sure we can make the payments, that is a federal regulation. And the amount and all of that is dictated by federal law.

That said, we have worked with USDOL. I know the executive chamber has worked with the delegation. We have worked with associations. We've worked with other states. We're looking at many ways to try to

relieve -- any way we can relieve any of this debt.

We are one of eight states that signed a letter to Janet Yellen saying that we think that it's up to the federal government to forgive that debt. But so far we have not received any relief.

SENATOR MARTINS: I do appreciate that. But again, there are monies that are available and there are ways for the state to offset those expenses with state resources, some of which actually came from the federal government, in relief, for COVID-related expenses in the state, and they were not used for unemployment insurance, they were used for other things.

Now that we have a surplus, have there been discussions to use it for relief?

COMMISSIONER REARDON: That is -- that is not some discussion that I would be having. But I would certainly, you know, have a conversation with the executive chamber about it.

You know, the Governor had a large

amount of problems to solve with a relatively small amount of money.

SENATOR MARTINS: And a surplus.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: Assemblywoman Giglio.

ASSEMBLYWOMAN GIGLIO: Hi. Thank you so much for being here, and thank you for all you do. Really appreciate all of your cooperation with all of my constituents, not only during the pandemic for unemployment insurance, as my other colleagues have stated, but you are faced with a very difficult task, all of you, and I appreciate you being here.

My question is -- well, first of all, I think we're running around in circles because the real problem to the workforce in New York State is Tier 6. We need to fix Tier 6. Is anyone having those conversations with our Comptroller, Thomas DiNapoli, to come up with solutions to incentivize people to enter the workforce? Because the starting

pays are so low, the -- what they have to pay is so high that it doesn't pay for them to come to work. They'd rather be on unemployment.

So is anyone having conversations with the Comptroller on how to fix Tier 6?

COMMISSIONER HOGUES: So I have not had conversations with the Comptroller as far as Tier 6.

But when I look at the state's compensation package as whole, paid time off and -- Tier 6, obviously compared to the other tiers, may not be as be favorable. But when I look at it, I believe we are competitive.

But the other thing I realize is that our pay structure dates back to the 1950s.

ASSEMBLYWOMAN GIGLIO: Exactly.

COMMISSIONER HOGUES: And so that's why we are putting that in our proposal, to really look at that and look at the job evaluation so we can evaluate the jobs appropriately.

We know that in some of the studies

that we've done, that jobs predominantly filled by women are at a lower rate. And so we're taking all that into account to make sure that we are at an appropriate level to be able to compete.

ASSEMBLYWOMAN GIGLIO: Thank you. And I thank you for your response, and you've answered my question. Thank you very much.

And speaking of that, with women having to get back into the workforce, the biggest hurdle is childcare. And that their monthly pay pays for childcare and they are working really for the benefits.

So I'm wondering, because we have state childcare facilities here, what you are all doing about putting childcare or incentivizing private manufacturers to put in childcare facilities so that they can bring these people to the workforce. Not only in the state and county facilities, but in the private manufacturing facilities. And we all do need to focus on buying from New York and our private manufacturers.

And, Commissioner, if you would please

answer that question for me.

COMMISSIONER REARDON: So I was on the Childcare Availability Task Force. I'm on it again; it's been re-upped. I'm very proud to do that work. And childcare is absolutely the top of every woman's mind who works. It has taken women out of --

ASSEMBLYWOMAN GIGLIO: Women and men, because now women are moving up in the workforce and men are home taking care of the children.

COMMISSIONER REARDON: Yup. Every parent. Every parent has this concern. And we are very focused on it. I think you probably saw in the news that President Biden's CHIPS Act includes incentivizing that kind of childcare, and it's a great move.

ASSEMBLYWOMAN GIGLIO: Thank you for your thoughtful answers.

CHAIRWOMAN WEINSTEIN: Thank you.

To the Senate.

CHAIRWOMAN KRUEGER: Thank you. Assemblymember Shelley Mayer.

SENATOR MAYER: Thank you. Thank you

very much. And thank you, Commissioner, and all of you for being here.

A question for you, Commissioner Reardon, again on this issue of home care. What is the precedent for excluding a group of low-wage workers from an across-the-board minimum-wage increase? I've just never seen such a thing before. We fought tooth and nail to get that money. It did not come easy. It's hard for me to understand what is the Governor's justification for excluding them if other workers receive, for example, a dollar wage increase.

COMMISSIONER REARDON: Well, I mean right now they're not working at the regular minimum wage, I would assume is what the thinking was. I don't know. But, you know, they are two or three dollars above the minimum wage.

SENATOR MAYER: But just -- respectfully -- that's what we did. That's what we passed. That's why we did it, to get them above the minimum wage in order to keep them in their jobs.

So I'm asking, what's the justification for not continuing that logic that they needed to be above minimum wage in order to retain and attract new people?

COMMISSIONER REARDON: As I understand it, the additional money put to home care workers was to stabilize that part of the industry and attract more people to it. And it was in a specific moment in time, not necessarily forever.

And as I said, as the wages go up, as they begin to be more in parity, it can be looked at again. But that was my understanding of the logic.

SENATOR MAYER: Okay. Question number two. Your report shows that violations of the child labor laws in New York State went up incredibly, 68 percent in 2022. That is I think the Department of Labor's report.

Are there any criminal convictions associated with that? You -- in your testimony you reflect civil fines.

COMMISSIONER REARDON: I do not know specifically what is -- you know, what came

out of all -- there were a lot of fines. We don't tend to do -- we don't do the criminal stuff, we have to refer it. So I don't know what those referrals were. I can find out.

We do know that in the last two years specifically there was a large increase, and it is very alarming. You all saw the articles in the New York Times. We'll be working very closely with the Governor on this. We want to do a lot more focus on it. Obviously we cannot have children in dangerous situations in any job, let alone in some of the horrendous situations that were revealed in the Times article.

SENATOR MAYER: Right. That's why I'm asking about criminal penalties.

COMMISSIONER REARDON: Yeah. I mean, they would have to be referred to a DA.

SENATOR MAYER: Yes, I understand. If someone could get back to me, that would be good.

COMMISSIONER REARDON: Yup.

SENATOR MAYER: I want to thank Commissioner Hogues -- I'd be remiss if I

didn't -- for the change in the rule that allows now EMS workers that are associated with a not-for-profit -- a quasi-municipality to obtain Empire Plan. Thank you very much. That is a game-changer for EMS workers throughout the state.

But I did have a question about the frequency of tests. You referenced that a number of tests are moving to virtual tests as opposed to in-person. What percentage of the tests will be online? If you know. Just --

COMMISSIONER HOGUES: Yeah, we'll have to look at it and see.

SENATOR MAYER: You don't have a percentage.

COMMISSIONER HOGUES: No. No, we don't have a percentage.

SENATOR MAYER: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblyman Smullen.

ASSEMBLYMAN SMULLEN: Thank you, Chair.

Commissioners and Director, thanks for being here today.

I just want to make sure I have got all this straight in my head sort of thing as we, you know, wrap up what happened in the coronavirus pandemic. We owe $8 billion to the federal government. That's a rough figure. We lost, according to the Comptroller, somewhere around $11 billion.

COMMISSIONER REARDON: We dispute that fact.

ASSEMBLYMAN SMULLEN: I'm sorry?

COMMISSIONER REARDON: We do not agree with that. It was not a finding of the audit.

ASSEMBLYMAN SMULLEN: What is your number? How much did we lose?

COMMISSIONER REARDON: Four billion.

ASSEMBLYMAN SMULLEN: Four billion?

COMMISSIONER REARDON: Four billion. Of which $388 million was in the state trust.

ASSEMBLYMAN SMULLEN: I'll let you argue with the Comptroller over methods and means of forensic accounting.

And now we're -- over the next five years we're going to ask our small businesses for about $6 billion to make sure the fund is topped up?

COMMISSIONER REARDON: We have to repay the fund that was -- the money that -- the funding that was borrowed from the federal government. And the fund needs to be rebuilt.

ASSEMBLYMAN SMULLEN: But we're asking our small businesses essentially to --

COMMISSIONER REARDON: We're asking all businesses that have employees --

ASSEMBLYMAN SMULLEN: All businesses, 50 percent of which are small businesses in New York State, which provide the --

COMMISSIONER REARDON: That's the law.

ASSEMBLYMAN SMULLEN: The vast majority of employers are small businesses.

COMMISSIONER REARDON: That's the law.

ASSEMBLYMAN SMULLEN: Right. Of course. And now one of the things that has occurred to me as we're in this panel here with the Governor's Office of Employee

Relations is we're thinking about allowing more people to telecommute. And one of the things during the pandemic was -- is that telecommuting is probably one of the reasons why we lost contact with people that we could then verify that they were a citizen, a person eligible for unemployment insurance benefit.

Is your department fully back to work and staffed to see people in-person to determine --

COMMISSIONER REARDON: Yes. Yes. All of our 96 Career Centers have been open for quite a while. Our state workers are back in the office.

We do have a telecommuting policy. We have a small number of workers who almost a hundred percent telecommute because they are telephone agents and they're on a phone. So they don't have to be in an office. Everybody else is back. But there is a policy that allows people, under certain circumstances, to have some days of telecommuting.

ASSEMBLYMAN SMULLEN: Sure, and I -- obviously that's -- you know, that's a good thing, but you have to verify that, you know, the person is there for their insurance claim.

COMMISSIONER REARDON: We are very, very careful about who gets to telecommute and who does not, and they have to have a business plan, as it were, with their supervisor. It was something that we rolled out before the pandemic, actually, which was very successful, and then we were ready, sadly, to handle, you know, everybody going remote. But they are back at work because we need them.

ASSEMBLYMAN SMULLEN: And we do, we need them on the job doing the thing. I'm still receiving unemployment -- just so you know and the public knows, still receiving questions about unemployment insurance claims from the pandemic, still adjudicating claims and working with your offices to do so. And I appreciate all the employees that have worked so hard to do that.

Because there are still issues out there. Just so everyone knows, this isn't quite over yet, and we need to kind of work our way through the rest of these issues. Thank you so much.

COMMISSIONER REARDON: Yes. Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Senator Rhoads has joined us and has a question or two.

SENATOR RHOADS: Okay. Thank you very much, Chairwoman, I appreciate that.

And thank you to our panelists for your presentations and for your thoughtful answers to our questions.

Just a follow-up for Commissioner Reardon. I know that my colleague Senator Martins inquired about surplus money. And I know that you said it was a bit above your pay grade --

COMMISSIONER REARDON: I don't handle that part of the budget.

SENATOR RHOADS: -- to make a determination with respect to that.

Is there any prohibition in the federal regulations to the state using surplus money rather than tapping into employers to provide those funds?

COMMISSIONER REARDON: I don't believe there is. I'm not quite sure -- the term "surplus money." But I -- you know, states can make arrangements, you know, as they wish.

The federal government requires that it's repaid. And it has -- and FUTA requires the schedule for that repayment. Other states have done other things.

But I must say the enormous amount of problems that were presented to New York State by this pandemic were huge, and UI was only part of it. And, you know, the Governor has made decisions that she needed to make.

I just want to remind everyone about the pandemic. When this pandemic hit, almost 2 million people lost their jobs by the end of April. They didn't do it because they wanted to; they were shut down. We were the epicenter of the pandemic in this country.

As somebody said to me, we were the bleeding edge. And we took it on the chin. UI was the only lifeline these people had. And that was job one in my agency, and I will never apologize for that.

SENATOR RHOADS: Not questioning, and I'm not asking you to apologize for it. We took it on the chin in terms of our workforce.

COMMISSIONER REARDON: Yes.

SENATOR RHOADS: But our employers also took it on the chin. They didn't shut their businesses down, we shut their businesses down.

And so now that this unemployment insurance has to be repaid, I think the state should have some increased responsibility in helping shoulder that burden, especially since we did receive COVID relief money which is now, in part, is what's funding a projected surplus that we have for this particular year.

COMMISSIONER REARDON: And as I've said, we've reached out to federal partners,

to other associations, to everybody who will listen to us, to see if there's some way we can make a dent on it.

SENATOR RHOADS: Understood.

And just with respect to -- I guess this would go to Commissioner -- I want to pronounce your name correctly.

COMMISSIONER HOGUES: Hogues.

SENATOR RHOADS: Hogues, Commissioner Hogues.

COMMISSIONER HOGUES: Like stakeholder.

(Laughter.)

SENATOR RHOADS: With -- with -- I appreciate that.

With respect to the Governor's plan for continuous recruitment testing, would that continuous recruitment testing be -- would police, fire, EMS personal be eligible for that continuous testing as well?

COMMISSIONER HOGUES: Yes.

SENATOR RHOADS: Okay. I appreciate it. Thank you so much.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: Assemblyman Jacobson.

ASSEMBLYMAN JACOBSON: All right, thank you, Madam Chair.

And thank you all for your testimony.

Just like we don't want to build a bridge to nowhere, we don't want to have training that leads nowhere and does not lead to good-paying jobs. I do believe in the power of government to do good, but we must insist that our money is spent wisely. Otherwise, those who want spending by government will be met by the usual refrain: I told you so, it's just wasteful spending.

I also believe in effective workforce development. This means talking to potential employers and unions and have them help to shape the curriculum. This also means extensive follow-up on the results of the programs. In order to ensure that these state dollars are well spent, we must insist on metrics to verify that the programs are working and successful, by requiring every

entity receiving workforce development dollars to provide data on an annual basis.

And this data would include the outreach that was done and how many persons were actually reached; what organizations are participating in the training, such as labor unions and the Council of Industry; the type of training and certification offered and provided; how many people started the courses and how many completed them. And of those who completed, how many became employed and at what wages. How many of those who became employed are still working six, 12, 18 months and 24 months after becoming employed, and are they still working for the same employer or in the same field or otherwise, and what wages are they now receiving.

I know I can talk to any union and find out this information about their own training and apprenticeship programs, but I've talked to too many groups, including workers at the Department of Labor, who could not give me this information. We should demand this from all who receive workforce

development money from the state.

There are numerous groups focused on workforce development, but we lack the metrics to determine if they are successful. By adding this language in the budget, we can make sure that every workforce development dollar is being spent wisely and well. I'm not optimistic that this will happen, so I'm introducing a bill to address this situation.

Plus I have two quick points to make. One, when is there going to be real relief to the employers who are facing high surcharges, high unemployment insurance surcharges due to the pandemic, which is not their fault? And secondly, on civil service, I was told by police departments that when they go to hire and they go down the list and they choose somebody and that person flunks the psychological evaluation, the person is still on the civil service list. So that should be corrected.

CHAIRWOMAN WEINSTEIN: Thank you, Assemblyman, for your -- for your statement.

(Laughter.)

CHAIRWOMAN WEINSTEIN: And now to the Senate.

CHAIRWOMAN KRUEGER: It appears that he has many questions he would like answered after the fact. So if you give him answers through sending them in writing to Helene and I, we will make sure that everyone on the committees gets the answers. Thank you.

I don't need my 10 minutes, but I think I'm up next. So I know this has been asked, but we keep getting a little different information. So a follow-up question to Senator Mayer's follow-up to Senator Ramos's question about the home attendants and the money we worked so hard to get added to their salary, because we have a crisis in home care attendants. And now you said that that was always intended to just, I guess, make sure that we were dealing with an immediate crisis and encourage people to come into the system.

So where's your data showing they came into the system and we don't have a crisis anymore? Because that's not what I'm seeing in my city.

COMMISSIONER REARDON: Oh, I'm not saying that there's no crisis. I am saying that according to the Center for Healthcare Workforce Studies, there has been a 33 percent increase in home healthcare workers since 2017, which is very good news. That does not mean the crisis is gone.

Part of the problem, as you well know, is we are in an aging population and we have people -- more and more people who are going to need home care. And we don't have enough workers so fulfill that need. So it is -- we are attracting more people to the workforce, but we also have more aging people who need that care. So that -- you know, that's kind of the situation that we're in.

My understanding was that the $3 increase was to stabilize the industry and increase the people coming into it. It is technically above the minimum wage. And so I would expect that as it approaches what the minimum wage indexed is, that you'd have another discussion: Do you need to increase that bump, is the need still there?

CHAIRWOMAN KRUEGER: So I think that's a later question, because we haven't increased the minimum wage. And we're just looking at, right now, we gave them a bump to try to increase participation and stabilize the industry. So you're telling me there's data showing that between '17 and '23 that there's been a 33 percent --

COMMISSIONER REARDON: According to what I have here.

CHAIRWOMAN KRUEGER: Okay. So we didn't go down during the COVID period, we just have been on a straight line up on participation?

COMMISSIONER REARDON: That I don't know. So let me find out for you. I'm just reading what they gave me, and I'll get more details for you.

CHAIRWOMAN KRUEGER: And you are right, of course, that the aging population continues to grow. You know, it's good news about modernization of healthcare: We are living longer, and we're being kept alive longer, which means there are more and more

of us who actually hit the stages of life that we refer to as the frail elderly.

So I would also love to see on a chart where we are in growth or plummets in home care, where we are on growth in aging during that same time period. And if you possibly can see where there are waiting lists and demand -- because again, I'm from New York City, and I can't speak for everybody in their districts, but I know that we literally have people who aren't allowed to leave hospitals because there are no home care workers available and discharge planning requires they have it. That we have people who are literally calling my office every day, can I help them get some kind of home care because they've got nothing.

And so I just don't believe we have in any way, shape or form resolved the issues that justified our giving them a $3 increase --

COMMISSIONER REARDON: I would imagine that there's more to it than just the wages. So, you know, it is a bigger question which

we could probably talk about offline for a long time. But, you know, the wages definitely has helped.

CHAIRWOMAN KRUEGER: So if the wages have helped and we still have a crisis, taking away the wages seems to be counterintuitive.

And yes, we should be increasing everyone's minimum wage. And I suppose at some point in time we could even have a conversation about why are some jobs mandated above minimum wage, or should they be. But I really don't feel that we've got to that point in our state yet at this point.

So I very much would love to see that data, because the Governor may have decided to do this but I don't think you actually believe this is a good idea. And I think the data would back all of us up on that.

And I'm going to give back my five minutes. Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

So we're going to go to Assemblyman Slater for three minutes.

ASSEMBLYMAN SLATER: Thank you very much.

Good afternoon, good evening, whatever time of the day it is. It's great to see all of you here.

Most of my questions actually were asked earlier, so I'm kind of shooting from the hip here. But one of the things that I saw in the Governor's proposed budget that troubled me deeply was her attempt to take away local zoning when it comes to some of the housing projects in the Hudson Valley and Long Island.

One of the things that I didn't see -- and I'm hoping you can clarify for me -- I didn't see any labor requirement specifically with regards to a PLA or a prevailing wage. Did you see that in her proposal?

COMMISSIONER REARDON: No.

ASSEMBLYMAN SLATER: Is that in her proposal?

COMMISSIONER REARDON: Not that I know of.

ASSEMBLYMAN SLATER: So there's no

requirement in that regard to ensure a fair wage on those projects.

COMMISSIONER REARDON: Not that I know of.

ASSEMBLYMAN SLATER: Okay. Thank you very much. I appreciate that.

Secondly, in regards to apprenticeship programs, something I'm particularly interested in is how can we better foster a dialogue and a pipeline between our school districts and bona fide apprenticeship programs? I'm going to be visiting Putnam Northern Westchester BOCES tomorrow morning.

COMMISSIONER REARDON: You're singing to me.

ASSEMBLYMAN SLATER: Yeah. Well, I think it's something that's critically important. Not everyone needs to go to college, and we need to make sure that we're obviously recognizing the importance that apprenticeship programs provide.

COMMISSIONER REARDON: Here's the way I've learned to frame it. When I first came into the DOL we talked about that was an

alternative to college. And one day I went, This is an insult to the parents and the young people that we're addressing. It makes them feel like they're lesser than.

ASSEMBLYMAN SLATER: Hundred percent.

COMMISSIONER REARDON: It is an alternative form of higher education. And it is as valuable as a college education.

ASSEMBLYMAN SLATER: Yes. Absolutely.

COMMISSIONER REARDON: So I have worked extensively with the building trades and our apprenticeship folks to make sure that we are going into high schools. We need to go into middle schools, because that's really where kids begin to get the idea, and expose them to what this is.

There are some wonderful pre-apprenticeship programs. In New York City there's NEW, Nontraditional Employment for Women. And women come in and they go through this program where they learn basic trades, it's a direct-entry program, they choose the apprenticeship they want to go into, and they're on a path for success.

We need more of that. We need to expose young people to this idea that working with your hands is a gratifying career. It's not something other, it is fabulous. But I'm with you.

ASSEMBLYMAN SLATER: I appreciate it and look forward to having a more detailed dialogue about ways that we can --

COMMISSIONER REARDON: We can go to schools together.

ASSEMBLYMAN SLATER: That sounds great. That sounds great.

Lastly, I just want to go back to a comment that was made in response to Senator Martins' question. When it comes to wage theft, you're saying that you've never heard from the construction industry that it's a problem? Because --

COMMISSIONER REARDON: It's a problem, but I've never heard that we -- I mean, I never heard it stated that way.

ASSEMBLYMAN SLATER: Okay. Well, I would again invite the conversation --

COMMISSIONER REARDON: There's always

wage theft. There's always problems.

ASSEMBLYMAN SLATER: I have two business managers down in the Hudson Valley, where I represent, Ed Cook being one of them. And every conversation I have is about wage theft and how there's a lack of enforcement when it comes --

COMMISSIONER REARDON: And every time they ask us we go and we investigate and we pull the wage records and we do what we need to do. It's not that we don't talk to the labor unions.

ASSEMBLYMAN SLATER: If we could have a I think more detailed dialogue about that, I know that would go a long way.

COMMISSIONER REARDON: Yup. Yup. Happy to do it.

ASSEMBLYMAN SLATER: I'd appreciate it. Thank you.

COMMISSIONER REARDON: Thank you.

CHAIRWOMAN WEINSTEIN: Senate, any more?

CHAIRWOMAN KRUEGER: Thank you. We have a three-month -- three-minute follow-up

by Senator Ramos.

SENATOR RAMOS: I'll take three months. That's great.

(Laughter.)

SENATOR RAMOS: Thank you, Senator Krueger.

Commissioner Reardon.

COMMISSIONER REARDON: Hey, Senator Ramos.

SENATOR RAMOS: Construction injuries and deaths are on the rise and have been surpassing, actually, pre-pandemic levels. It's been a problem for a long time and why I created a Worker Fatal Registry that the DOL significantly delayed to implement. And I was disappointed that they were unwilling to meet with our counsel, as we requested, to make sure that there was compliance. Because as of right now, it's not.

The registry is finally posted, but it does not provide information about where a worker was killed and the circumstances surrounding their deaths. How can we work together to improve this?

COMMISSIONER REARDON: Was that in the original law, was that required?

SENATOR RAMOS: It was.

COMMISSIONER REARDON: Okay, so then we'll have a conversation about how to improve the website.

Part of -- as you know, part of our significant problem -- and we welcomed this regulation. Part of our issue was that it fell on the county coroners and people like that to report the deaths to us. We had no mechanism to force them to do that.

So we have done extensive outreach. We have attended their conferences to talk to them as groups. We have attended them -- we talk to them in their localities. We've impressed upon them how important this information is. And we are getting better compliance. Right now our numbers for New York City are actually higher than the New York City numbers, because our staff is really trained to keep an eye on what's going on.

SENATOR RAMOS: All right. I really

appreciate that --

COMMISSIONER REARDON: It is irregular across the state.

SENATOR RAMOS: All right. I really appreciate that because the point of the registry is to figure out patterns and pinpoint improvements to working conditions that need to be made.

I have time for one more. In 2016 the Joint Task Force to Fight Worker Exploitation and Employee Misclassification was established. However, the previous Governor eliminated the yearly report that had initially been required. So in addition to being a blatant issue of transparency for New Yorkers, how do we expect the task force to be successful and their recommendations to be implemented without a yearly report?

COMMISSIONER REARDON: If you'd like a yearly report, you probably should tell us to do it.

SENATOR RAMOS: Please do it. I can tell you more formally as well.

COMMISSIONER REARDON: Okay. Thank

you.

SENATOR RAMOS: All right.

CHAIRWOMAN KRUEGER: Assembly.

CHAIRWOMAN WEINSTEIN: We go to Assemblyman Ardila.

ASSEMBLYMAN ARDILA: (Mic off.) Thank you so much. Nice to see you, Commissioner.

COMMISSIONER REARDON: Thank you.

ASSEMBLYMAN ARDILA: My district is a waterfront district. We have communities in Long Island City facing the East River, communities in Maspeth facing the Newtown Creek. What can we do in terms of enhancing climate-resilient projects to combat storms and floodings throughout the state?

And Part B, how can we ensure that we are upholding goals set out by the Climate Leadership and Community Protection Act so that employers within the renewable energy sector are the ones getting government subsidies for prevailing wages and worker protections?

COMMISSIONER REARDON: So interesting

question. Of course I don't -- I'm not the agency that oversees the resiliency part. I think that's probably NYSERDA and DEC. But happy to work with them.

Our charge is to make sure that we are training workers in the clean energy sector. And I'm very happy to say that the Just Energy Transition Office will be at the DOL, because that's what we do. We train workers, and we're very happy to do that.

I want to make sure that workers across the state have opportunities to work and thrive in those sectors, including in your district, where you obviously are challenged by rising water.

Specifically to make sure that you're being compliant with the --

ASSEMBLYMAN ARDILA: Superstorms, actually, not just rising water.

COMMISSIONER REARDON: Yeah, I know everything.

ASSEMBLYMAN ARDILA: Ida -- yeah.

COMMISSIONER REARDON: Yeah. It's bad. It's not getting better.

You know, as to the compliance with the CLCPA, again, it's not something I oversee. But I'm sure the DEC and NYSERDA would be very happy to help you with that.

But when it comes to the workforce part of it, we would love to be a part of it. You know, we are very interested in making sure that people who live in those neighborhoods also get to participate in the work.

ASSEMBLYMAN ARDILA: I appreciate that. Because we want to make sure that folks aren't being -- you know, they are getting prevailing wages, that they are getting -- the PLAs are being met and protections are being upheld.

And now I do want to piggyback off of Senator Ramos's previous question, shifting gears into home healthcare workers. If it took the minimum wage to increase to $18, a $3 increase, in order to attract home care workers, why are we not keeping that $3 increase?

COMMISSIONER REARDON: That is not a question that my agency can answer. But, you

know, I think that it was put there specifically to -- again, to stabilize and draw people back into that form of employment.

I think the home care worker situation, as I said earlier, is bigger than wages. There are a lot of different issues around why people are not doing it. It's very hard work.

ASSEMBLYMAN ARDILA: It is hard work. That's why we should keep it.

COMMISSIONER REARDON: It often is done by immigrants, many of whom have been excluded from our country, so that's a dwindling resource. But there's a lot of issues --

ASSEMBLYMAN ARDILA: Many of which are in my district.

COMMISSIONER REARDON: Yes. Yeah.

And anything we can do to help that industry, to help secure those workers' safe conditions and a good wage, we're happy to do.

ASSEMBLYMAN ARDILA: So let's fight to keep -- to raise the wage for them.

COMMISSIONER REARDON: Okay.

ASSEMBLYMAN ARDILA: All right. thank you.

CHAIRWOMAN KRUEGER: Thank you.

Senator Robert Jackson for a three-minute follow-up as chair.

SENATOR JACKSON: Thank you.

Commissioner Hogues, I got three items I want to touch base with you on. One, regarding 55B and 55C programs, the Governor proposed an increase from 1200 to 1700 positions. Do you have any insight on that?

COMMISSIONER HOGUES: Yes. So for the first in the program's history, we are approaching that 1200 mark. And to make sure that we are offering an inclusive workforce, we have asked to increase that by 500, to 1700 positions. Because like I said, we are bumping up against that number.

So that said, the agencies have been doing a great job of making jobs available to individuals with disabilities.

SENATOR JACKSON: We're talking about these are people with disabilities, on

the one hand, under 55B, and veterans with disabilities on 55C. Is that correct?

COMMISSIONER HOGUES: That's correct.

SENATOR JACKSON: Okay. Well, I support this also. And I just wanted to -- my staff will follow up with you on some details about that, okay?

COMMISSIONER HOGUES: Thank you so much.

SENATOR JACKSON: The second one is the extension of the waiver. The Executive -- the Governor's proposing a one-year extension of the waiver of the income cap for retirees to return to work in school settings. Because it's hard to recruit people, and they would have to give up part of their pension benefits. And so the Governor is proposing this.

I support it. But I'm going to ask you to follow up with my staff about the details as to how many have taken advantage of this, so forth and so on.

COMMISSIONER HOGUES: We certainly will do that.

SENATOR JACKSON: And the last one is the special accident or death benefits for individuals. So currently municipalities pay a special accidental death benefit for people -- families of deceased police, fire, emergency medical techs of the New York City Health + Hospitals Corp., and uniformed officers of the NYC Housing Authority, New York City Transit, Department of Corrections, Bridge and Tunnels, so forth and so on.

And the Governor is proposing to include counties in this list. Do you have any insight on that at this point in time?

COMMISSIONER HOGUES: I don't. So I apologize. That is something that we will have to follow up on.

SENATOR JACKSON: This is something we will follow up with you. But obviously accidental death is accidental death. And I support dealing with individuals in our employment that are looking after our safety and security, their accidental death benefits. So my staff will follow up with

you.

COMMISSIONER HOGUES: Thank you.

SENATOR JACKSON: Madam Chairs, thank you very much for the additional time.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: Assemblyman Durso.

ASSEMBLYMAN DURSO: Good evening, I think. Soon, right? Thank you, everybody, for being here.

So I just had a couple of quick questions, first for Commissioner Hogues with Civil Service, a follow-up to something Assemblyman DeStefano was talking about. Just when you talk about recruitment, bringing people into civil service working for the state, working for local government, even if it's our local municipalities. As someone who came from that, worked as a sanitation worker for 15 years --

COMMISSIONER HOGUES: Thank you so much.

ASSEMBLYMAN DURSO: Please, I loved

it. Sometimes I wish I was still there.

(Laughter.)

ASSEMBLYMAN DURSO: But in regards to that, so we -- he brought up a little bit changes to NYSHIP where we talked about Tier 6 or paying into retirement for longer periods of time, or paying into the rising costs of healthcare that now some of the workers have to do.

Do you think it makes it harder to recruit people to take those civil service jobs that Joe spoke about -- you take these jobs initially because you know you're not getting rich, you know you're not making that certain level of money, but you have your retirement, you have your health benefits, you have a solid job that's protected.

But now with obviously private industry coming in -- which it's always there -- but we want people, qualified people to work for the state and in civil service, do you think it's going to be harder to find those people to do those jobs when your salary range hasn't changed that much, or

really hasn't kept up with the times, on top of it paying into your healthcare more, paying into your retirement more? And as someone that came from the sanitation department, now you have to be there till you're 65 years old. In all honesty, I'm 43. I could not work till I was 65 years old in the back of a truck.

So what are we doing to recruit people to those jobs, keep them, you know, retain them, but also understanding the needs of each individual civil service job throughout the state?

COMMISSIONER HOGUES: So once again, we are looking at that, and I appreciate the question. We are looking at an opportunity to do a study to modernize the civil service pay structure, which is critical. We've done stuff over the past to increase salaries and offer regional differentials.

But the other thing that we have to realize is that the increased cost is not something that is unique to state government. So private sectors are experiencing the same

increased costs in healthcare benefits and the sort.

ASSEMBLYMAN DURSO: But that was one of the reasons, like we said, there was always that same thing of I'm taking this job because of my future. Right? It was the retirement, it was the health benefits, it was the fact that maybe you could retire in 20, 25 years, possibly, without too bad of a limp.

Now, you know, working that much longer, the pay structure not going up as high as it probably should, not keeping up with all the essentials that you have to now pay into, I think recruiting qualified candidates and keeping them is going to be very difficult.

COMMISSIONER HOGUES: So there's a couple of quick things there. So there's a sense of job security. Once you get in a competitive position, you have the opportunity to advance throughout state government. And state government is a huge employer. So you can go and see a number of

things. You can start out in Parks and end up in DMV. And so it's a huge opportunity. I'd love to talk to you about it.

ASSEMBLYMAN DURSO: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

CHAIRWOMAN KRUEGER: I think the Senate is done, so back to the Assembly.

CHAIRWOMAN WEINSTEIN: So we have a number of Assemblymembers.

Assemblyman Jones.

ASSEMBLYMAN JONES: Good afternoon, evening, whatever it is. Thank you all for being here and answering these questions. Thank you for all your work.

Commissioner Hogues, we need -- first of all, I want to ask, how old is civil service? How long has it been in place?

COMMISSIONER HOGUES: I apologize, I don't have that answer with --

ASSEMBLYMAN JONES: Okay, because we were just talking about it up here and we --

COMMISSIONER HOGUES: It's old.

ASSEMBLYMAN JONES: It's old.

I guess my point around that is I have

municipalities, I have counties, I have state -- I represent a lot of state workers as well. Don't you think we need an upgrade or a rehaul of our civil service? Because I say that and if I hear from another agency, municipality, whatever that says, Hey, you know, we've hired a great worker, you know, they're doing a good job, they have to take the civil service test, they didn't place in the top three. They've been working here for nine, 10 months, we all love them, great job. And we lost them.

And a lot of times when they take that test, it has nothing to do with their job. And certainly it doesn't have anything to do with the job performance that they've been doing.

So my question is, what are we doing to address that? I know there's waivers and such in place. But what are we doing to address that?

And I do have a second question. I think you -- I don't know if I misheard it. You were saying something about the counties,

because the county structure is they take care of the school districts, at least in upstate -- take care of the school districts, take care of the municipalities, take care of obviously their county employees and municipalities.

You said there's a lot of flexibility they have there? Because they're always blaming the state, honestly.

COMMISSIONER HOGUES: Of course they do.

(Laughter.)

ASSEMBLYMAN JONES: I'd like to hear a little more about that, but I really do want to know about what we're doing to overhaul civil service. Because it just seems antiquated and not addressing the workforce that we need in those certain positions.

COMMISSIONER HOGUES: So in the submitted testimony we talked a lot about the modernization of civil service, the opportunity to look at how individuals enter into state government.

And so yes, we do need to change to be

competitive with the private sector and just to be attractive to individuals that are entering into the workforce.

ASSEMBLYMAN JONES: And let's face it, not everybody's a great test-taker. You know, it's just --

COMMISSIONER HOGUES: And I agree. So some of the things that we've done is we've switched from where you're filling in the bubbles to a training and experience. And so our most recent PCO, professional career opportunities, where a lot of individuals get their entrance into state government, we switched that. In 2019 it was fill in the bubble; in 2022 it was a T&E. And we've started to do preliminary studies against those that took it in 2019 and 2022, and we've seen that those that took it in 2022, versus 2019, have done better. And we could talk more about --

ASSEMBLYMAN JONES: And I'd love to -- the flexibility, can we talk about that online -- or offline? And I can get ahold of you on that, because --

COMMISSIONER HOGUES: Yes. Yes.

ASSEMBLYMAN JONES: That would be great. Thank you.

CHAIRWOMAN WEINSTEIN: Assemblywoman Zinerman.

ASSEMBLYWOMAN ZINERMAN: Good evening, everyone. Thank you all for being here and answering our questions.

I want to talk about the elephant in the room. Unemployment in the Black community is a deep-rooted issue with no real solutions identified to tackle the problem. Since the U.S. Bureau of Labor Statistics first started collecting data in 1972, it has generally been twice the rate of white workers. And we know that this was exacerbated throughout the pandemic.

So I have three questions for you. What if any equity initiatives have you or are you employing to address double-digit unemployment among this group?

The second question has to do with the recruitment, because we've talking about recruitment a lot. And this is something I'd

really like to be a partner with you on. But the question is this. Who's your target audience when you're recruiting? You're talking about different recruitment strategies and you're talking about recruiting for state jobs and specific titles that we have experience and workforce shortages in.

But what is your recruitment plan to retain workers that we're losing? And again, Black workers are leaving the state departments as well, and the city and federal, if you think about it. And also, what are we doing to recruit new ones? And I think -- how much time do I have?

Okay, good. I think I have a -- I want to ask and talk about -- career pathways is something that I'm working on in my district. I think high school really is too late to start talking to people about jobs and especially jobs in the state.

So if we could just talk about what you're doing around equity initiatives for Black workers, how are we recruiting them,

how are we going to get them employed, how are we going to reduce this number?

COMMISSIONER HOGUES: So we're talking state workforce?

ASSEMBLYWOMAN ZINERMAN: Everybody. I want everybody to join in.

COMMISSIONER HOGUES: Okay. I will jump in gladly, and thank you for that.

We have a division, ODIM -- diversity, management, inclusion -- that has kicked off a campaign to reach out to the underserved population. One of the things that we've done is we've partnered up with the NAACP, who has a --

ASSEMBLYWOMAN ZINERMAN: I'm a card-carrying member.

COMMISSIONER HOGUES: All right, thank you so much. You should hear about it -- to do those outreaches into those -- the populations, into the communities, on a ground -- boots-on-the-ground-type level. Because we know that individuals, all individuals aren't on social media and get their information that way. And that we know

that we need to get trusted individuals in certain communities to say, Hey, it's okay, to provide them with the information when the tests are going to be and also, once again, educate them on the how. How do you get in, and how do you do that?

We also have -- we focus on career advancement and the retention of individuals. Our department is responsible for holding cultural events, which we just held a Black History Month event that was attended by multiple agencies and over 500 individuals online.

And so we can have that conversation because it's dear to my heart.

ASSEMBLYWOMAN ZINERMAN: It should be to all of our hearts.

CHAIRWOMAN WEINSTEIN: Thank you --

COMMISSIONER REARDON: And I'll talk to you offline. We do it too.

ASSEMBLYWOMAN ZINERMAN: Okay.

CHAIRWOMAN WEINSTEIN: Assemblywoman Lucas.

ASSEMBLYWOMAN LUCAS: We almost had

the same questions, Stefani.

ASSEMBLYWOMAN ZINERMAN: Ask it again, because I still have some follow-up.

(Laughter.)

ASSEMBLYWOMAN LUCAS: Just wanted to know a little bit more about the investment in the GAINS program. Which you may or may not have.

COMMISSIONER REARDON: Which one?

ASSEMBLYWOMAN LUCAS: It's Growing Apprenticeship in Nontraditional Sectors, or emerging technologies. And being able to pull out of career pathways, wage subsidy programs, EBT ventures. This is where we can extract a number of -- or grow the workforce.

Additionally, we spoke about -- you spoke about, Commissioner, boots on the ground. Is there any intention to invest in incubators in these neighborhoods that are typically unnoticed? Because I'm in the 60th Assembly District, which is East New York, Brownsville, Canarsie. And we are one of the highest when it comes to unemployment. So when we're talking about

all of these wonderful things, I don't see these things in our communities and I don't see any outreach.

So could you give me a little bit more information about what I just asked?

COMMISSIONER REARDON: So we do a lot of work to make sure that underserved communities understand that we are here for everybody. And I said earlier, we meet our customers where they are. You don't have to fit in a box of any kind to access our help.

We have made a concerted effort over the last couple of years to make sure that -- I have a personal thing. If I open a door and look in --

ASSEMBLYWOMAN LUCAS: -- one minute and 12.

COMMISSIONER REARDON: Okay. If I don't see myself in that room, I'm not going to go in that room. So we are changing that dynamic. We want to make sure that young people see themselves in these careers and understand they can be powerful --

ASSEMBLYWOMAN LUCAS: So is there an

investment in a growing apprenticeship for nontraditional sectors and emerging technology?

COMMISSIONER REARDON: We are definitely growing the apprenticeship programs as much as we can. It requires sponsors who are employers. But I can talk to you offline about that.

ASSEMBLYWOMAN LUCAS: Absolutely, because I definitely have that.

Additionally, in terms of pulling out of these different areas with career pathways, wage subsidy programs and SNAP, as well as making a key investment in incubators in these spaces.

COMMISSIONER REARDON: The incubators is not something we would do. It might be something that maybe ESD might do, they have a -- let me think about it. But we have Career Centers. We do a lot of outreach. Let me talk to you offline about it, because it is a personal passion of mine.

ASSEMBLYWOMAN LUCAS: I would appreciate that. Because this is a way that

we can pull people in, on the ground, real-time, and train trainers.

COMMISSIONER REARDON: Yes.

ASSEMBLYWOMAN LUCAS: Thank you.

COMMISSIONER HOGUES: So one of the reasons why we're trying to be at DOL centers is so we can have that presence. But we also need your help to let individuals know that these opportunities are available.

ASSEMBLYWOMAN LUCAS: I'm all in.

COMMISSIONER REARDON: Good. Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Assemblyman Ra.

ASSEMBLYMAN RA: Thank you.

Commissioner, thank you for the call yesterday.

COMMISSIONER REARDON: My pleasure.

ASSEMBLYMAN RA: We've started to look through your response regarding the UI fraud, and as we go through the background materials we'll reach out and maybe we'll set up a meeting so we can --

COMMISSIONER REARDON: It's a lot, I

know.

ASSEMBLYMAN RA: So thank you. I appreciate your response.

I wanted to just get into a little bit as -- right, we talked about it, but now we're talking about modernization, hopefully finding ways that are going to update the system and prevent some of these things in the future. So can you tell me, as we're implementing this, is the state looking at its data sources and whether as part of the modernization we're looking into sources that might have current unemployment and income data, as opposed to just relying on state wage data?

COMMISSIONER REARDON: I'm sorry, ask me the question again. I didn't get it.

ASSEMBLYMAN RA: Are you looking at other -- maybe utilizing other sources of data when you're trying to verify claims? Like there's, you know, clearinghouses and things out there that --

COMMISSIONER REARDON: So an individual's claim? The only way we're set

up right now is we pull -- we contact the employer and we ask them to give us their wage data.

So that was part of the problem during the pandemic. For PUA, there were no employers, there were no records to pull, and we didn't have any way to verify 1.5 million people who were getting benefits had actually been employed the way they said they were.

But the way the law reads for UI in New York State is you have to have an employer, and we contact them about your employment and we contact them for your wage data. That's the way the law is written. So we'd have to change that law.

ASSEMBLYMAN RA: Okay. I understand. It's something that's come up I think in a number of different, you know, programs throughout the pandemic, because there are these data sources out there that might be able to more quickly --

COMMISSIONER REARDON: But this is this person's individual employment. So it wouldn't be in a --

ASSEMBLYMAN RA: But that have -- they keep data on consumers and all that type of stuff. And, you know, in modernization it might be something we can look into.

The other thing I wanted to -- hold on one second. Sorry. I had something here, I'm sorry. I actually -- actually, no, not for you, Commissioner. Well, thank you.

I did want to ask regarding GOERS and training within the department. You know, we saw some reports earlier this year and in the fall regarding the implementation amongst the state workforce of things like sexual harassment training and diversity training and ethics training and all that type of stuff that I think we're all used to going through, and legislative staffers are going through, and a very small number having gone through it.

Do you have any information as to like the executive chamber workforce? Have most undergone that training? Because it was a problem in the previous administration.

DIRECTOR VOLFORTE: My understanding

is that the entire executive chamber workforce has undergone live training.

And I believe the report you're speaking about is -- they transitioned from the training of about 120,000 state employees who have been trained, and they train annually online, to ethics training through that new government body, which is not handled by me, and live sexual harassment training, which we are in the process of -- to make that transition. We're about to start enrolling individuals and up to 300 trainers to train them to train the state workforce live. But we'll also continue to offer other training models to ensure that folks are trained.

ASSEMBLYMAN RA: Thank you.

CHAIRWOMAN WEINSTEIN: So I think I'm last, with a few questions. And, Commissioner -- okay. Well, I'll go first and then Jo Anne. Sorry, I didn't see.

So Commissioner Reardon, I just want to talk a little bit about unemployment data relating to youth. So the headline

unemployment rate has come down from the highs of the pandemic years, but obviously not all New Yorkers nor all regions have fared equally.

So we know that the unemployment rates for youth 16 to 24 have not returned to the pre-pandemic levels. And I was wondering if you have any thoughts on what factors we can attribute this to.

COMMISSIONER REARDON: It is a thorny problem. You know, it is very important for young people to be engaged in work at a relatively early age if they're going to be successful in the workplace, because it's -- you know, it's part of your learning.

Some young people are in school, so they're not working. Some young people are working in the gig economy, so they may not be reported in public data and it's a little hard to find that information. We do have records of more people becoming entrepreneurial, and perhaps some of them did that. But there's not one answer to it.

It is very important that we get young

people when they leave school, or even before they leave school, to begin to work so that that's part of who they are. We do an enormous amount of work with our workforce development people trying to reach particularly young people about career paths. As I said, we are out-stationing our senior staff now across the state in our Career Centers for days at a time so we can connect with communities and find out what's going on in that community and how can we impact it.

We are working very closely with Betty Rosa at State Ed, and all of her BOCES superintendents and those people, to find out how can we work more closely with them. How can we connect young people to registered apprenticeships, because those are wonderful ways to get people into training. But a lot of it is if you're -- what is your path? And how can we connect you to something that's meaningful so you're not just bouncing from a fast food restaurant job to, I don't know, a bicycle delivery job or something.

We want to give them a clear path into

their adulthood. And it's not one size fits all. It's different in every community. As the member said about a Black community, that's a very different equation. You know, and we need to make sure we have people who look like them, who can speak to them and help them find the answers.

But we are very focused on helping young people find careers that they love, that they can thrive in. They're the future. And it's an important part of what the agency does.

CHAIRWOMAN WEINSTEIN: So in order for us to work together to help these young people, I know that the reporting shows the category of 16-to-24. And obviously there are very different needs for those on the younger portion of that scale to those on the high portion.

And I was wondering if your agency can report the labor force data on a more granular level, but just separate out some of that age difference. And along with that, the data on the website shows labor force

demographics by the state's regions, but it's only on a five-year-estimate basis. And the latest one when we just looked at it the other day, is from 2017 to 2021. Which obviously, again, in terms of trying to set policy, doesn't really --

COMMISSIONER REARDON: It's not helpful.

CHAIRWOMAN WEINSTEIN: -- really inform us as to what's going on.

So I'm wondering if there's a reason why we can't do that on a yearly or a biyearly basis, and also in terms of breaking the age group down.

COMMISSIONER REARDON: I am guessing that some of it has to do with the way the federal government reports things, because that often drives the way that we report things. But I'm not sure about that.

But I would certainly be very happy to go back to my research and policy folks and say, you know, can we look at doing this differently. Because I agree, a 16-year-old is very different from a 23-year-old.

CHAIRWOMAN WEINSTEIN: Okay. So, you know, we would look forward to working with the department and trying to figure out ways that we could get better information so that we can help direct programming and funds.

COMMISSIONER REARDON: Governments tend to lump people into groups, and we should pull them apart and look at them in a -- you're right, in a more granular way.

CHAIRWOMAN WEINSTEIN: Thank you so much.

So now I want to call on Assemblywoman Simon to ask a question, three minutes.

ASSEMBLYWOMAN SIMON: Thank you both very much -- all three of you.

So I have a series of questions. One is how quickly will the DOL modernization of the equipment be done.

COMMISSIONER REARDON: Our aim is to roll it out the end of this year.

However, I want to say to everybody clearly today, this system will not go live until it is completely tested. We know of other states that have failed because they

did not test their systems. I will not allow it to fail our citizens. So the end of the year, but it's got to be tested.

ASSEMBLYWOMAN SIMON: Okay. I think you've heard about -- unemployment issues still remain, so I'd like to follow up with you.

But the other issue I have for both Department of Labor and Civil Service is workers with disabilities, recruiting, how accessible the -- just applying that technology is to them, how accessible are the tests themselves. When you're updating them, how are you doing it? Who are you working with to update those tests?

And then the accessibility of apprenticeship programs as well, if you could address those issues.

COMMISSIONER HOGUES: I'll give Commissioner Reardon a break. She's been talking quite a bit.

So we work very closely with the state's first-ever Chief Disability Officer to look at how we can be more appropriate and

precise in how we recruit. Our office of ODIM is very active in not only our agency but working with other agencies to make sure that we are sensitive to that.

We work with community-based organizations that represent individuals with disabilities, to inform us. We have an open-door policy where we listen and we make adjustments appropriately. As you've heard, we've increased our 55B program. We're requesting an increase in our 55B program by 500 individuals because agencies are getting it and we're working together to improve that.

And we're always looking at accessibility. One of the quick things that I'll talk about is that's why it's necessary for us to have state-operated testing facilities. So when you talk about access, sometimes in schools, in other areas, we couldn't -- we're not in control of that. So when we look at our state-operated facilities, we have control of that to make sure they're accessible.

ASSEMBLYWOMAN SIMON: By the way, Civil Service started in May of 1883. I just thought I'd let you know.

(Laughter.)

COMMISSIONER HOGUES: Thank you so much.

COMMISSIONER REARDON: So very quickly, we work with a very extensive network of --

ASSEMBLYWOMAN SIMON: The tech is accessible? That's another issue, is assistive technology.

COMMISSIONER REARDON: Yes. We have assistive technology in every Career Center. All of our counselors are trained on it. All of our website is accessible.

We have -- we meet them where they are. Regardless of what their issue is, we want to make sure that we serve them, soup to nuts. Everything that we do for everybody, we do for people with disabilities. They are treated exactly the same.

But we have a very extensive network of connection across the state, and it is

very robust and we work very hard to ensure that people with disabilities are also put on career paths.

ASSEMBLYWOMAN SIMON: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

So we have exhausted ourselves and all of the questions.

(Laughter.)

CHAIRWOMAN WEINSTEIN: So thank you, Commissioners, for being here, Director. And I know there are some follow-up questions that you'll be able to get to both of us.

CHAIRWOMAN KRUEGER: Great. Thank you.

COMMISSIONER REARDON: Thank you very much.

COMMISSIONER HOGUES: Thank you.

CHAIRWOMAN KRUEGER: Yes, everybody can take a stretch as I call the next panel up: The Retired Public Employees Association; Organization of New York State Management Confidential Employees; CSEA Local 1000 AFSCME; and Public Employees Federation.

And then if people want to continue

talking to those three -- two commissioners and director, take those conversations outside. Thank you.

(Off the record.)

CHAIRWOMAN KRUEGER: All right. If the conversations can go out in the hallway and we can start up the next panel. Thank you. I know it's a long day for everyone. And when you do two hearings on one day, they never work out the timewise you thought.

So let's just start off by -- one, I want to reference that apparently for PEF we have Randi DiAntonio, vice president. Okay.

MS. DiANTONIO: Thank you.

CHAIRWOMAN KRUEGER: Hi, welcome.

But why don't we start with Ed Farrell. Hi.

MR. FARRELL: Thank you. Chairwomen Krueger and Weinstein, thank you for the opportunity. I'm Ed Farrell. I'm the executive director of the Retired Public Employees Association. We represent the interests of retired state and local government former employees. And there's

nearly 500,000 of us in the state retirement system. So we're in your district, you know who we are.

I thank you for the support you've shown in the prior years. I want to talk about two issues today. And you're not going to hear this from anyone else, so it's very important. One has to do with the COLA, the cost-of-living adjustment the retirees receive. When the COLA was enacted 23 years ago -- you may or may not know this, but it's not a real COLA. It's half a COLA. And it can never be less than 1 percent or higher than 3 percent.

Over time, the value of the pension benefit that people receive has gone down dramatically. And you're probably not aware, but 24 percent of the retirees in the State and Local Retirement System have a pension under $10,000. And nearly half of them have a pension less than 20,000.

So there have been bills in the past to say, well, let's raise the point at which the COLA applies, which is 18,000. Let's

raise that to 21. But for these folks who are getting a $10,000 pension, raising the amount at which the COLA's applied is not going to help them. And these folks need help.

And what we've proposed, come up with, is a way to -- what we call a catch-up provision, that if you went back to when the COLA was enacted 23 years ago and said, well, what if you got the real COLA, but it could never be higher than 3 percent -- we're not going to bust the bank, but if it were to be 4 percent, you know, you would get the max of 3. But for the most part the COLA has run about 1.3, 1.4 percent.

And if your pension is under $10,000, getting a 1 percent increase is not going to help you much.

These folks need help. And there's -- there's a lot of them. And we've come up with this catch-up provision to help them.

So, you know, we also propose raising the cap from 18 to 21. The catch-up provision applies only to current retirees.

It would be a one-time calculation. If you raise the threshold from 18 to 21, that applies to everyone going forward.

The other issue I want to raise has to do with access to skilled nursing facilities for retirees in the Empire Plan. You're probably aware of this, but -- because there was a bill that was enacted last year. All of you voted for it. It passed unanimously in each house.

CHAIRWOMAN KRUEGER: (Inaudible.)

MR. FARRELL: I know.

I call this to your attention, it's really important. The bill's been reintroduced. It's Senator Breslin, John McDonald. We hope that you include funding for this in your one-house budget resolutions.

And finally, we support the proposal that Barbara has regarding the MC, the retirees. Thank you.

CHAIRWOMAN KRUEGER: (Mic off; inaudible.)

Why don't we take Barbara Zaron next.

You might want to (inaudible) --

MS. ZARON: Okay, thank you. Thank you. Can you hear me? Is this working?

CHAIRWOMAN KRUEGER: A little closer.

MS. ZARON: Is that better? Ooh, yes.

CHAIRWOMAN KRUEGER: Better.

MS. ZARON: Well, thank you very much for the opportunity to talk to you from our perspective.

So I know there are some people who I have not seen here before, so I'll just quickly -- MC employees are unable to join a union or engage in collective bargaining. So they're kind of left out in the ether. And we're the folks that represent them. Most of them are civil servants who obtained their positions through competitive examinations. They're not high-level appointees that most people think of when they think about civil servants.

So our MCs, many of them feel undervalued because frequently their compensation is not comparable to the compensation of those people who do belong to

a union and who negotiate their contracts. So we try always to make sure that MCs are treated in a way that's comparable to the non-MCs.

And so during budget development season this year, we wrote to the Governor, we wrote to OER and talked to OER outlining our salary and benefit recommendations for MCs to be included in the budget. They were not included in the budget. And so I'm going to let you know now what it is that we are looking for. And we used the CSEA contract as our guide and our comparison.

So what we were hoping for is a 3 percent salary increase this April, a $3,000 retention bonus as of April, increased location pay, expansion of longevity pay to all MCs in graded positions -- not just for those in Grade 17 and below -- and an increased cap for sick leave.

So there is a bill, Senate 2395/ Assembly 3766, which specifically provides that the state would pay comparable pay and benefits for MCs. That would include salary

increases, longevity pay, performance advances. So we certainly would like your action to pass that.

The second issue that's of major concern to us, and hopefully we can resolve this this year, those folks who retired between 2009 and 2015 were on the payroll when the 2009 and 2010 salary increases were withheld for MC employees and for no other workforce folks. And what we have proposed, a $70 per month rebate for every month of withholding between 2009 and '15, not to exceed $5,000. Oh, my goodness.

So we've tried to fix this for 10 years. We hope this is the year that we actually can accomplish that.

CHAIRWOMAN KRUEGER: Thank you.

MS. ZARON: Thank you. No, there are other things but they've been talked about in the previous panel. I just wanted you to know that we support a lot of the things that were discussed by the previous panel.

CHAIRWOMAN KRUEGER: Thank you.

MS. ZARON: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Next we're going to go to Joshua Terry, legislative director, CSEA Local 1,000 AFSCME.

MR. TERRY: Great. Thank you, Senator. Thanks, everybody, for being here.

For a decade we had -- the state workforce was strangled. We couldn't hire anybody, nobody was being admitted. Local governments are also facing a lot of difficulty in hiring employees. And we see that in our numbers. We have fewer CPS caseworkers. We have fewer emergency dispatchers, people maintaining our local infrastructure. New York State has lost, in about a decade, 13,000 employees, net. Our local governments, about 7 percent of the workforce has been -- we have a net loss of 7 percent in that same time.

So this is the time that we need to start making investments. And we are really happy to see the Governor has finally embraced investments in the public workforce, and we're very supportive of a lot of these

proposals. We will give credit where credit is due. Because I think I've said here in years past -- I have blamed agencies on not hiring. Agencies are trying to hire. OPW and OMH especially are doing their best. But there are a lot of headwinds out there for hiring.

Specifically in this budget we are very supportive of the continuous recruitment proposal from the Governor. We need to offer tests routinely. We cannot do it every couple of years. We need to get fresh lists. We need people to get offered jobs to come into the workforce.

We're supportive of a proposal to waive civil service exam fees for a number of years. If $40 is a barrier of entry to the public workforce, it needs to be done away with. You do not have to pay Target or Amazon to apply for a job. There's no reason you should have to apply for -- pay money to not even apply for a job, to take a test to possibly get a job with the state.

We also -- you know, there's been a

lot of talk of how do we connect these jobs to underrepresented communities in the workforce. We need to enter the community with these job opportunities. Websites are great, it's really good that they get posted there. But unless we get into communities with these job positions and talk to people about how to apply for the civil service, we're not going to connect these jobs with those individuals.

And lastly, I will channel my Senator Robert Jackson and talk about how much we don't like Tier 6. I won't use his phrase, because he'll use it later.

(Laughter.)

MR. TERRY: We need to look at Tier 6 reform. We are incredibly thankful for what was done last year, but that just scratched the surface. We have a lot of work to do to make Tier 6 an attractive pension benefit for people that want to -- that are looking for work and looking for not just a job, but for a career.

So we need to look at the

contributions, we need to look at the final average salary, we need to look at the value of the pension.

So we really look forward to working with you in -- over the coming month. We're down to one month now.

And in my last five seconds I'll say hi to my two kids, who are eating tacos, watching me on TV at home.

(Laughter.)

CHAIRWOMAN KRUEGER: Thank you.

And Randi DiAntonio from PEF.

MS. DiANTONIO: Good afternoon, Chairpersons Kruger, Weinstein, Pheffer Amato and Jackson, and to all other distinguished members. My name is Randi DiAntonio. I'm the vice president of the New York State Public Employees Federation. We represent about 50,000 professional, scientific and technical employees employed by the State of New York.

I'm very thankful for the opportunity to appear here today and talk about the Executive Budget.

Ditto to everything my brother at CSEA just said as far as we are heartened by the fact that we're sitting here having a dialogue, a real dialogue, about improving the staffing at state agencies, improving how government operates. We are the frontline workers. Whether we do it in our facilities or we do it behind a desk, we take care of New Yorkers. And the last decade has made it almost impossible to do the work that we love to do.

So we're hopeful that a new day is dawning. And we thank the Governor for lifting the hiring freeze last year. We're committed to rebuilding this workforce. But frankly, there's a number of things that we heard about today that we need to fast-track.

You know, there are things that we've heard today about modernizing the civil service system and doing studies, and they are great ideas. We support all of them. But what we're hearing from the folks in the field are that these things aren't happening fast enough. We hear from folks in the field

that New York State isn't attractive as an employer anymore because of Tier 6, because they don't have the same level of pension benefits, because the pay isn't equal, you know, to what they could get in the private sector.

And frankly, although civil service is a great equalizer and it brings people on-board from all different places, once they get there, they don't always feel supported. We've seen the last years of an increased reliance on overtime. Our workforce is stressed out, they're exhausted, and they work in somewhat toxic and unsafe working conditions.

So not only do we have a problem on the front end with recruitment, we have a problem on the back end with retention. We have seen -- and in the Governor's budget she talks about we're down 12,500 workers, with 26 percent more ready to retire. Those folks ready to retire are going to go. And we don't have people coming on board fast enough to replace them.

We know that our services are critical to New Yorkers, from OPWDD -- which is significantly short-staffed, although we're trying to bring people on -- to OMH. We've asked for monies in the budget to support reopening some of the homes. But we need an emergency staffing plan. You know, the reality is a lot of these things are great ideas and we're appreciative that there's going to be conversation. We're happy that there's no closures to fight off.

But the reality is, you know, studies are great, but we know pay equity is a huge problem. We know many of our titles can go to the private sector and make more money. And because we have about 50/50 frontline versus administrative support titles, many can do different types of jobs remotely and go to other places to work. But we need them in government because they take care of our people.

So thank you so much for the opportunity today.

CHAIRWOMAN KRUEGER: Thank you.

Okay, all four have testified; I'm going to now take questions. I know that Senator Ramos would like to start us off with questioning.

SENATOR RAMOS: I would. Thank you, Senator Krueger.

Randi, can you talk a little bit more about the situation with how tight the labor market is right now? You know, the state workforce has clocked in 20 million hours in overtime. That's a lot. And now the Governor's indicating that New York is currently in need of 12,500 workers. Can you talk a little bit more about how we got there and how we can fix it?

MS. DiANTONIO: Well, I think we got there over the last 10 or 11 years of austerity budgets, demonizing, frankly, government workers, making people feel devalued so they didn't want to stay in this workforce.

So I think that the culture of the workforce changed. I mean, I've been with the state 26 years, and it wasn't like that,

you know, the first 15 years I was there. So I think there's a lot of cultural issues that affect the workforce.

Also, you know, with COVID came many different extreme working conditions. And with our healthcare professionals -- although many other titles -- they were able to go elsewhere and to work as travelers, to do agency nursing, to go into the private sector, to do remote health. I mean, we represent social workers who now can do telehealth. We represent nurses who can go be travelers.

So I think we didn't get here overnight, and we know we're not going to fix it overnight. But we do have to acknowledge that the folks that are on the frontlines, the folks that do this work, have to be incentivized, they have to be rewarded. I think there's a lot of things we can do to, you know, make public service an option for people. We don't talk about it anymore. We used to.

SENATOR RAMOS: That's true. That's

true.

MS. DiANTONIO: And we don't bring it back to our communities to say, this is a career choice that will bring you a lot of benefits and a lot of reward.

SENATOR RAMOS: Thank you, Randi.

I have one more question for Josh.

Josh, how can we ensure that continuous recruitment is used to expand the state workforce to include more people of color?

MR. TERRY: Yeah, I mean I think it gets to what I talked about towards the end of my testimony, which is we need to promote these exams. Civil service is -- it came up a little bit earlier; I think Assemblyman Jones brought this up. It's a tough system. It's complex. Not everybody understands it.

I mean, unless you're in that world -- I always say like if you look at a civil service exam notice, it looks like -- it could look like a lead abatement form. You don't know what you're actually reading.

(Laughter.)

SENATOR RAMOS: It does not look attractive at all.

MR. TERRY: So let's get into the community, let's go to -- let's work with organizations, community-based organizations to push these job opportunities out. It doesn't have to be the state is the only one that's promoting these. I mean, NAACP came up earlier --

SENATOR RAMOS: Does the union do it? Does the union go into CBOs to talk to them?

MR. TERRY: We are 100 percent committed to working with the state and the Department of Civil Service to enter the community and start promoting these jobs and using, quite frankly, our membership to promote these jobs. Because our members are the best salespeople on the work that they do.

SENATOR RAMOS: That's right. Excellent. Thank you, Josh.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

ASSEMBLYWOMAN JOYNER: Member Pheffer

Amato.

ASSEMBLYWOMAN PHEFFER AMATO: Thank you. Boy, I don't know where to go now.

First of all, I want to thank you both past and present frontline workers, all of your membership, for everything they've done for us. I mean, they did get us through the pandemic. And I'm sure many of our retirees were out there calling the active to let them know what they should be doing correctly.

I'm going to just jump to Josh, if you can answer a question for me, something that's been circulating around here. There's been a lot of recent discussion surrounding the CSEA executive branch contract regarding out-of-network health insurance benefits. Can you describe what the negotiated -- and what the impact on public employees in New York are?

MR. TERRY: Great. Assemblywoman, thank you. I appreciate that.

There's been a lot of misinformation on this topic, and we sent a letter this week that everybody here should have received.

CSEA, when we were in collective bargaining negotiations with the state this past summer, we negotiated a change in the rate that doctors receive if they are out-of-network, if they are out of the NYSHIP network. This is the only place it applies for. In addition, it does not apply to any other state union or state union's contract other than CSEA's.

When we -- when that went into our agreement, NYSHIP has -- they have legal authority, and this stems from I think the 1950s or '60s, to extend any rate changes to participating agencies -- so local government employers and public authorities. And they chose to do so. That was not part of our agreement, they did that unilaterally.

In reality, what this change means for our members is they still have full access to the whole NYSHIP network, and especially from Long Island and New York City, I mean, you can throw a rock and hit a participating doctor in the NYSHIP system. But they still have the full authority to go out of network.

And --

ASSEMBLYWOMAN PHEFFER AMATO: So --

MR. TERRY: Oh, I'm sorry, Assemblywoman --

ASSEMBLYWOMAN PHEFFER AMATO: You go. You go.

MR. TERRY: So what change was the actual reimbursement rate? We went from about 550 percent of the Medicare rate, generally, to about 275 percent of the Medicare rate. Which is still, for out-of-network coverage and out-of-network rates, compared to most other plans, is still a very generous reimbursement rate.

ASSEMBLYWOMAN PHEFFER AMATO: So let me just clarify this.

So there's no diminished benefit to the membership, we just took -- it's less payout to the doctor.

MR. TERRY: One hundred percent correct, yes.

ASSEMBLYWOMAN PHEFFER AMATO: Okay. So I'm just going to repeat that again. So we did not diminish any benefit to the

membership.

MR. TERRY: One hundred percent correct.

ASSEMBLYWOMAN PHEFFER AMATO: Okay, I just want to make sure we're really clear on that and we get that for the sound bite, because --

MR. TERRY: I appreciate that.

ASSEMBLYWOMAN PHEFFER AMATO: -- it's been circulating and the conversations have been all over the place. Thank you for that.

Ed, I want to say to you that any retiree that's making $10,000, we should be helping. So I want to support that just to say that, you know, what salary they got years ago and not catching up, it's really -- we're just promoting the poverty.

MR. FARRELL: Correct.

ASSEMBLYWOMAN PHEFFER AMATO: And for all the service they gave us to be a retiree -- you know, I want you to just know that I'm supportive of those initiatives and just help to bring them forward.

MR. FARRELL: Thank you.

Thirty-some-odd years ago, salaries were much lower. And, you know, your final average salary in your pension was $10,000 or less.

ASSEMBLYWOMAN PHEFFER AMATO: In 1986 when I first worked for the Department of Sanitation, I made $17,000, so --

(Laughter.)

ASSEMBLYWOMAN PHEFFER AMATO: Thank you very much, all of you.

CHAIRWOMAN KRUEGER: Senator Robert Jackson.

SENATOR JACKSON: So good evening. It is evening, right? Yes, it is.

So I have a question to you. I always said that Tier 6 sucks. But, you know, I'm saying that now because it expresses the dissatisfaction from the people that I've talked to. And so I ask you, as leaders of the various unions or organizations you belong to, what are you hearing about Tier 6 and why the people are not in favor or it?

So if you can give me short answers, because I only have two minutes and a half.

MS. DiANTONIO: I'll start.

I think it's very disheartening for people to stand next to a worker that's getting a completely different benefit. They see no end of light at the tunnel, you know? There's nothing there to stay committed to state work. I think what we hear from Tier 6 members is, you know: This isn't worth me staying for, I can go somewhere else. So it really creates a situation where people are not staying as career employees. And I think that's a huge issue.

It's also -- it's a much lower benefit that they're paying more for. So -- I mean, I think, in a nutshell, they pay more to get less.

SENATOR JACKSON: Barbara?

MS. ZARON: I personally have not heard a lot. But I think that, in part, that maybe we tend to have longer-term employees --

SENATOR JACKSON: You're the management/confidential employees, is that correct?

MS. ZARON: Most of the folks start

either through a CSEA or PEF kind of position and work their way up -- not all, but a fair proportion of.

And it may be that they're more consumed with the immediate issues that they're trying to deal with than even thinking about --

SENATOR JACKSON: Okay. Do you mind if I go to Josh, please?

MS. ZARON: So most of them may not be Tier 6. I'm sure there are some, but I think most of them probably are the earlier tiers and not quite as intimately involved with the issue of Tier 6.

SENATOR JACKSON: Thank you.

Josh, please?

MR. TERRY: It's three things. They pay more for Tier 6, they get less under Tier 6, and they have to work longer, at the end of the day. Those are the three things that our members talk about.

SENATOR JACKSON: And Ed, what are you hearing? Even though you're dealing with the Retired Public Employees Association.

MR. FARRELL: Senator, I can tell you that retirees have zero conversations about this.

(Laughter.)

SENATOR JACKSON: They're gone.

But also I want to know, in the last 24 seconds, how bad is contracting out in your unions, PEP and CSEA? And you only have 18 seconds, and I can follow up with my staff.

MS. DiANTONIO: It's a significant problem in many of our agencies. We have nurses or other titles sitting next to a state employee, making more money, with less responsibilities. They have their own schedule set for what works for them. It really is divisive and demeaning to the state workforce, and it costs way more money.

SENATOR JACKSON: Josh, we'll follow up with you on that, okay?

MR. TERRY: Absolutely.

SENATOR JACKSON: And the two of you also, if you heard anything.

Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

ASSEMBLYWOMAN JOYNER: Member Lucas?

ASSEMBLYWOMAN LUCAS: Thank you, Madam Chair.

Okay, this is for the Retired Public Employees Association. In your testimony, the pension cost of living speaks to catching up to the annual cap of 3 percent for the current eligible retirees.

MR. FARRELL: Correct.

ASSEMBLYWOMAN LUCAS: What is the impact to the State of New York fiscally to fill this potential budget ask for the retirees?

Additionally, will our current inflation rate have a subsequent impact on the cost-of-living increase for the retirees?

MR. FARRELL: This proposal that I talked about was actually in print at the end of last session, and it had a fiscal note. So the fiscal note from the retirement system put the catch-up provision at $107 million. Which is peanuts when you consider the

pension fund is 242 billion.

ASSEMBLYWOMAN LUCAS: Okay. And the second part of the question?

MR. FARRELL: Which was --

ASSEMBLYWOMAN LUCAS: The inflation rate --

MR. FARRELL: Our proposal still has the 3 percent cap. Only one time in the history of the COLA did it ever reach 3 percent, and that was this year. That's because inflation was 9 percent. So we got 3.

That's the only time in the history of the COLA that we've gotten 3 percent. For the most part we've gotten, on average, 1.5.

ASSEMBLYWOMAN LUCAS: So will it have an impact on -- the inflation rate, will it have a subsequent impact on the cost-of-living increase for retirees?

MR. FARRELL: The 3 percent cap remains in place. So if inflation drops down to 8 percent instead of 9, we would still only get 3.

So there have been two times in the

history where actually the rate of inflation was less than 1 percent, and the retirees got a bit of a boost because we got the 1 percent, as opposed to a half of 1 percent. So --

ASSEMBLYWOMAN LUCAS: Got it.

MR. FARRELL: It's in there, but if you leave the guardrails in there with the 1 percent floor and the 3 percent ceiling, none of that changes.

ASSEMBLYWOMAN LUCAS: Thank you.

MR. FARRELL: You're welcome.

CHAIRWOMAN KRUEGER: Thank you. Assembly.

ASSEMBLYWOMAN JOYNER: Member Jones.

ASSEMBLYMAN JONES: Hello, everyone. And thank you for your testimony.

First of all, I just want to state I'm with you on Tier 6. We need to reform it. What better way of a recruitment tool would we have than to improve Tier 6, when we're sitting here talking about we don't have enough workforce in many of our agencies.

On that, I do want to touch on

something else, and I do have some questions here. I've been hearing a lot from your members about safety issues in a lot of the facilities that you work in. I actually -- a colleague from CSEA of Josh's the other evening, when I was at the reception, pulled me aside and showed me some very disturbing pictures of one of your employees.

What can we do to improve that situation in those facilities? That's my first question.

My second question, because I'm going to get it all out, we have this cap with retirees. We raised it from 30,000 to 35,000. And I ask this because we need to continue to recruit people. What's your opinion on the cap, and should we still have it in place? I know I'm putting you on the spot a little there.

But we need to recruit workers and we need to get people in these agencies. This is detrimental. It has to do with safety in our facilities. It has to do with other things going.

Also on the COLA, I missed part of your testimony, I apologize. What is the recommended -- what do we want to see that percentage of COLA going up to?

So I'll leave those questions to you to answer.

MR. TERRY: Assemblyman, on the first part of your question on safety in our worksites, it is a real problem. But I think you -- you know, you also alluded to the answer. A lot of the issues that we have regarding safety -- and it really revolves around violence -- it's about staffing. And you are safer when you're in pairs or, you know, with multiple people.

And unfortunately, over the course of the last decade, that's gone by the wayside, but the job still has to get done. So our members still go into a situation that may be unsafe, and it's not by the book, but they have to go treat a patient, right? I mean, you have to provide the service. And our members will always do that, regardless of the situation.

And so we need to -- it's staffing. It comes down to staffing, at the end of the day.

MS. DiANTONIO: And the only thing I'd like to add to that, I agree a hundred percent, staffing has a lot to do with it. But over the course of 10 years we also closed a lot of our intensive treatment facilities that were geared towards the most complex-need individuals. And when that happens, they end up in settings that might be less secure, less structured, less environmentally controlled. And that also influences how they're taken care of and how safe they are, and the people who take care of them are.

ASSEMBLYMAN JONES: Thank you. I'll get the other question offline.

CHAIRWOMAN KRUEGER: Thank you.

Senator Jack Martins.

SENATOR MARTINS: Thank you. Thank you all for still being with us a couple of minutes before 7 o'clock.

Josh, to your point, I mean, is there

a recommendation on how we streamline this? I'm hearing from a bunch of different sources that we have jobs, we have people who may want to work -- and we'll deal with Tier 6 in a second. But, you know, we can't get a list, we can't get an exam, there seems to be a bottleneck here. And do you have any suggestions on how we should deal with that from our end?

MR. TERRY: I mean, I think part of it is staffing within the Department of Civil Service. I mean, they have been decimated. And I know -- I read PEF's testimony earlier, and they allude to this in that testimony, that the department doesn't have enough staff to run the operations.

So the commissioner referred to this: They have to prioritize, and they're only looking at tests that are the most critical. Which is causing problems across the board. Because by the time we catch up to the ones that are -- the jobs that are less critical, the ones that are not urgent, we've already lost them. Right? I mean, we're already way

understaffed.

So I think we need to make the investments inside the department, which we're happy the Governor has started doing that last year into this year.

SENATOR MARTINS: And when we talk about retirees, $10,000, are we talking about people who have put in their 20 or 30 years in state service, full-time employees, at the end of their retirement, and then only qualifying for $10,000 in pension? Are we at that point? Or are we dealing with the majority of those people in your example being part-timers who put in their 10 years and then moved on to the private sector? Where is that range?

MR. FARRELL: No --

SENATOR MARTINS: Because they would still qualify for a pension.

MR. FARRELL: You have to be able to qualify for the pension. So if you're part-time, you can't put in 10 years, you'd have to put in 20 years, you know, to have your 10-year --

SENATOR MARTINS: Well, then let's say it's 20 years as a part-timer. I'm just trying to contextualize --

MR. FARRELL: These are folks -- these are real people who, because their job -- their salary was so low when they were working 30 years ago, that when their pension was calculated that those -- this is a quarter of the people in the retirement system.

SENATOR MARTINS: Don't get me wrong, I'm not questioning that. I'm trying to contextualize the nature of those -- whether this was their full-time job or these are people who had a full-time job outside, because we have many people who work part-time in the public sector. That's all. I wanted to clarify that.

And as far as Tier 6, you know, it's -- I hear it, I know you hear it every day, people who are working side by side with others who are in different tiers who are asked to do the same work, receiving less and fewer benefits. And I do think it's

something that we should address.

And I was hoping, in the last 20 seconds or so -- give me your thoughts.

MS. DiANTONIO: We would support that all the way. Thank you.

SENATOR MARTINS: And Josh, with about 10 seconds, you want to say hello to your kids again?

(Laughter.)

MR. TERRY: They're probably on their fifth taco at this point, but --

(Laughter.)

MR. TERRY: We need to lower contributions for Tier 6. We need to bring it down to 3 percent, Senator.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

ASSEMBLYWOMAN JOYNER: We wish we were having tacos too.

(Laughter.)

ASSEMBLYWOMAN JOYNER: But Member Bronson.

ASSEMBLYMAN BRONSON: Thank you, Madam Chair.

And thank you all for your testimony.

My first question is for Ms. DiAntonio. And we usually talk about the Rochester Psych Center, but we're not going to talk about that tonight. You used the phrase -- you said "What we need now is an emergency staffing plan." What would that look like?

MS. DiANTONIO: Well, I think there's a lot of obstacles that get in the way of bringing staff on board fast. Some of them relate to what was alluded to around staffing and Civil Service -- not having enough tests, not having enough testing sites, not being accessible.

But it's also the time frame between someone taking a test and getting hired. We have great candidates who are interested in working for the government, and it takes six months to bring them on board after they offer them an exam -- offer them the job. So we lose them in that time between.

What I can tell you from just looking at this, years ago human resources used to

have control at the agency levels, at the local level, on their on-boarding -- when they posted positions, how they brought people on. That function has mostly been centralized into our Albany central offices. It takes a lot longer. The more layers you put on it, the longer it takes.

We're losing good people. So I think if there are ways to bring down those obstacles so that it takes less time. I think also the way we bring people in from like student internships, mentorships. We've gotten away from that. We used to have relationships with a lot of colleges that they would provide interns. Those interns would then become long-term employees. And we worked with them so they knew the job.

What's happening now is people that get hired get thrown into the fire and they're like, Holy cow, I'm working 30 hours of overtime my second week here, I don't know what I'm doing. And then they may leave.

So we put all this investment -- even if we can get them in the door, it's hard to

keep them if we don't wraparound the supports they need. So I think there's a lot of conversation we can have about how to better that. You know, all of this really boils down to talking about these issues and coming up with creative solutions. I'm heartened that we're talking about them, because I don't think -- even though we've been ringing this bell for a long time, we haven't had these in-depth conversations.

ASSEMBLYMAN BRONSON: So I've been doing this for a long time. This is the first year we're talking about how do we recruit state workers. It used to be cut, cut, cut. And now we're paying the piper. I mean, now we're facing -- I mean, there's lots of other reasons why we're short-staffed, because short-staffing is everywhere. But for state workers it's because we went through a decade of balancing budgets by cutting workers.

And so I'm glad we're having this conversation. I look forward to working with all of you and trying to turn this around.

CHAIRWOMAN KRUEGER: Thank you.

I don't believe -- no, we don't have any other Senators, so Assembly, keep rolling.

ASSEMBLYWOMAN JOYNER: Member Simon.

ASSEMBLYWOMAN SIMON: You need some work, some training.

(Laughter.)

ASSEMBLYWOMAN SIMON: So thank you all for your testimony.

So I wanted to ask a similar question, and that is when it comes to recruitment and training and the accessibility -- accessibility can be many things. How are PEF and CSEA reaching out to people with disabilities in the workforce who need these jobs? We want people paying taxes.

You know, what are we doing to bring people into the workforce who have disabilities? Which could be a whole, as you know, huge continuum of people who might need, you know, minor accommodations on the worksite.

MR. TERRY: Yeah, Assemblywoman, thank

you for that question.

You know, we're really supportive of the Governor's proposal to increase the 55B program from 1200 to 1700. The report that came out at the end of 2022 from the Rockefeller Institute, which was requested, mandated by the Legislature, showed that we're nearing that level, we're nearing the capacity in that program. And so this is probably the time for us to expand it.

When people take those jobs, they are in our bargaining units, and they are entitled to all of our contract, we represent them. And we really serve a valuable role within not just the state government but local governments as well. And so we really want to encourage, you know, more people to enter that program because they are more heavily unemployed statewide -- nationwide. And we need to do more to encourage them to come into this workforce.

MS. DiANTONIO: And we agree. We support the 55B expansion. But I think also not only bringing people in but keeping them,

we really need to look at the reasonable accommodation process, making sure people are given the tools that they need to stay in the workforce once they're there. Because a lot of times people may become disabled while they're a state employee, and it's very difficult to bring them back or keep them on the job.

And there should be a more robust, more timely process to do that. We find a lot of people end up, you know, retiring or leaving early because the agencies either cannot or will not accommodate. So there's more to do in that area, absolutely.

ASSEMBLYWOMAN SIMON: And so I'd like to talk to you about that, because that is an ongoing obligation of an employer, whatever that agency is.

And of course it's also about promotions, right? There are plenty of people -- you know, 55B isn't the only way that you can bring people with disabilities into the workforce. You have people who are highly educated that need certain -- you

know, screen reader -- you know, right, and can do whatever job you have, but they're not necessarily the 55B workforce.

So I want to make sure we expand our mentality about that as well, and an ongoing issue with regard to accommodations. So thank you.

ASSEMBLYWOMAN JOYNER: Member Zinerman.

ASSEMBLYWOMAN ZINERMAN: Good evening.

This question is for Ms. Zaron. In your testimony you have an entire section on diversity in hiring and employment. And I just want to refer first to the first bullet allowing for expanded remote working arrangements where possible.

How many jobs have been reevaluated to include that as an option? Especially when we think about the cost of childcare and how many women have left the workplace -- happy Women's History Month.

And I also -- so that's just my question. Other things, I just want to say I think that we can do -- and I know we've had

to do that as well with regard to recruiting people to come and work for the Assembly -- really talking to people about not only the tasks related to the job, but the environment that people are going to work in.

Recruitment has been a reoccurring theme throughout this entire hearing today. everybody has touched on it. And I really think that we have to expand what -- have a profile of who we're trying to recruit, having a real idea of what people are looking for in work. People want to be valued, they want to understand the mission of the organization, they want to connect their work to the mission of the organization.

So how much of that is actually being done in your recruitment? And specifically if you can just kind of answer the question about remote access and how many people -- how many job titles have actually been reevaluated to include remote access, working remotely.

MS. ZARON: Well, I personally have no idea how many jobs have been evaluated --

UNIDENTIFIED LEGISLATOR: I'm sorry, I can't hear you.

MS. ZARON: I personally -- she was asking me how many jobs have been evaluated or reevaluated for remote access. I don't know the answer to that.

ASSEMBLYWOMAN ZINERMAN: Okay. Well, it's one of your -- that's why I asked. Does anybody else want to jump in? All right, if you don't know, is it something that you're in support of, you want to see happen? Because I know a lot of workers, this is a big question for them.

MS. DiANTONIO: Yeah. So with PEF titles, we have 3,000 titles, and many of them have been able to show that they can be productive working remotely. We also know that many of those professions in the private sector are offering remote work. So it not only becomes something that people want to do for work/life balance reasons, but it also becomes a tool to keep people in their jobs and to bring people into the workforce.

You know, our position is that we want

to maximize hybrid work, remote work, where it's feasible to do so, because we believe that people that have work/life balance, you know, are happier. But at the same time we also know 50 percent of our workforce are not -- they're in jobs that are public facing, front facing. Those are not going to be options.

So I don't know off the top of my head like how many have been evaluated. I know that, you know, PEF has entered into agreements and discussions with state agencies; where we can do it, we are encouraging agencies to look at this and really support it.

CHAIRWOMAN KRUEGER: Thank you.

Assembly again.

ASSEMBLYWOMAN JOYNER: To close, Member Manktelow.

ASSEMBLYMAN MANKTELOW: Thank you, Madam Chair.

And good evening, everyone. Good evening, Randi, how are you?

MS. DiANTONIO: I'm good, Brian, how

are you?

ASSEMBLYMAN MANKTELOW: Good. Good. Couple of questions for you, really quick, Randi.

My colleague next to me, Assemblyman Jones, touched on workplace safety. And I've met with many of the workers -- some of those workers, Randi, working doubles and triples, some of them having families. One of the women I talked to had twins at home.

I've got concerns as well about the safety not only in the workplace, but when they leave the workplace. What can we do to emphasize that, what can we do to make that a top priority not only in the budget process, but outside of the budget process? Because this isn't going to fix everything in a month.

So I was just wondering what your thoughts were, Randi, on that. Or anyone.

MS. DiANTONIO: So we've also heard from many of those workers, a lot of them are probably members of CSEA, at least I think you're talking about at OPWDD, primarily, in

our area?

ASSEMBLYMAN MANKTELOW: Yup.

MS. DiANTONIO: You know, for -- the state was in a critical situation and they offered 2.5 times overtime to many of our employees to sort of support CSEA's work in direct care so that people weren't working doubles, triples. Unfortunately, that's very expensive in this system, and wasn't going to be the forever solution.

I do think that we need to do more with flexible scheduling, alternative work schedules, compressed work weeks, and be really creative, because people are being expected to work doubles and triples. They can't do it. You can't work for certain agencies if you have children, if you have a dog, if you have a life. And they're not going to stay if they go to work and they can't leave.

ASSEMBLYMAN MANKTELOW: Especially, like you said earlier, you throw them right into the fire right off the bat, then they're not going to stay.

MS. DiANTONIO: I mean, I would think, you know, CSEA probably has a little more to say about this, because it's mostly their members that are in these -- at least with OPW, and I know that's who's contacted you. They've been on the frontlines of a very difficult situation for many, many years.

MR. TERRY: Yeah, it's a great point, Assemblyman. And the problem we have is we have people get hired, especially OPWDD, they are on the job one week, and they are mandated overtime. And it could be mandated overnight, it could be on a weekend. They quit. Right? I mean, they do not stay.

But the ones that do -- I mean, we've had members that have worked consecutive hours of 50, 60, 70 hours because they cannot leave their group home unless they have relief. And if that relief calls out sick, if the person just doesn't show up, they're staying there.

And our members care. Our members are not going to abandon their clients, right? I mean, they truly love these people. I mean,

they build these long-lasting relationships with --

ASSEMBLYMAN MANKTELOW: I see that firsthand.

MR. TERRY: And so they will work those hours. They will miss the birthdays, they will miss picking their kids up from daycare and figure out another arrangement. It is a real problem to really solidifying the -- not just the workforce, but the industry and the care that they're able to provide.

ASSEMBLYMAN MANKTELOW: One second left. You have my full support in changing Tier 6. Thank you.

CHAIRWOMAN KRUEGER: Thank you.

ASSEMBLYWOMAN JOYNER: To close, again, Member Ra.

ASSEMBLYMAN RA: Thank you all for your patience today.

I just had a question for PEF. There has been some conversation -- I know you have members that work within some of the prisons regarding HALT and basically your desire to

maybe make some changes to HALT.

MS. DiANTONIO: So yes, we do -- we represent teachers, counselors, a number of different professional titles within our correctional settings. And the HALT bill, while very well-intentioned -- and we agree with a lot of aspects of it in regards to we want people to be treated humanely.

Unfortunately, what we're hearing from our members are some unintended consequences to it, with an increase of up to 45 percent of inmate-to-inmate assaults and about 25 percent increase in staff assaults. A lot of the circumstances we're hearing about are people doing bad acts so that they get removed from the larger population because of safety reasons.

So, again, we support, you know, a lot of the intent of the HALT legislation, but we think there needs to be some tweaks to make it safer for people. We are definitely hearing from our members that they have concern not only for safety for themselves and the people that they serve, but

therapeutically. They just don't have -- some of those programs, while from the outside looking in may look like they're bad programs, there are therapeutic reasons to keep people separate from one another, to make sure they're in a safe space, to make sure that if they're decompensating they get treatment in a way that is going to protect them and others.

So I think those are conversations we should have about this with all those players. You know, everybody should be at the table. Because I don't work in Corrections, so I can't speak to their day-to-day business, but we have heard some really bad stories coming out of there. And frankly the majority of people getting hurt are the people that are incarcerated.

ASSEMBLYMAN RA: Thank you.

CHAIRWOMAN KRUEGER: All right, since the Senate and the Assembly are closed for this panel, thank you very much for being here with us tonight. We appreciate it.

PANELISTS: Thank you. Thank you.

CHAIRWOMAN KRUEGER: Thank you to your members.

Next panel up is going to be the Center for New York City Affairs at The New School, James Parrot, director of many things; the National Employment Law Project, Paul Sonn, state policy program director; and Hugh Baran from the Kakalec/EmPIRE Coalition.

MR. PARROTT: Good evening.

CHAIRWOMAN KRUEGER: Good evening. How are you, James?

MR. PARROTT: James Parrott is my name, I'm director of economic and fiscal policies at the Center for New York City Affairs. Thank you for the opportunity to testify this evening.

I want to come back to the unemployment insurance issue. New York State's unemployment insurance financing is severely flawed. It is the reason we're facing an $8 billion trust fund federal debt that will take another four to five years to pay down. It's the reason our benefit

structure is mediocre at best and inferior to benefits paid in all of our neighboring states. And it is the reason our employers are paying much higher UI taxes than they were before the pandemic.

New York's UI tax structure causes small employers with fewer than 100 employees to pay effective tax rates, relative to total wages, that are three to four times the rates paid by large companies with 500 or more employees. Industries with low-average wages pay much higher effective UI tax rates than very high wage industries like finance, information, media, technology and so on.

The irony here is that the pandemic hit hardest those industries and employers who are paying the highest taxes now and, on the flip side, the industries that prospered during the pandemic are paying the lowest unemployment taxes. My written testimony has charts with the latest data from the federal government that illustrate this very regressive tax structure.

The root of the problem is New York's

unusually low taxable wage base of $12,300, lower than in 35 of the 50 states despite the fact that New York has the highest average weekly wage of all 50 states. Because of New York's chronic UI trust fund insolvency, the state's maximum weekly benefit has been frozen at $504 since 2019. It would be $200 more per week if our fund were solvent, and nearly twice that if it were 50 percent of our average weekly wage -- which it was in 2000.

Some commentators have mistakenly attributed New York's trust fund debt to fraud. This tendency was compounded by an unfortunate press release accompanying a State Comptroller audit that exaggerated the extent of fraud related to the state's UI trust fund by a factor of 25 -- they made up a number.

New York's UI trust fund debt burden can only be addressed by overhauling the financing system, by following the lead of other states that assess unemployment taxes on a higher portion of payroll and also on

gig companies. New York can pay back its debt sooner, make sure big corporations pay their share, expand the state's inadequate benefits, and actually reduce taxes on small businesses. New York has the latitude under federal law to lessen the weight of the experience rating in setting our tax rates.

Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Next? Hi, Paul.

MR. SONN: Am I on? Yup.

CHAIRWOMAN KRUEGER: Yes.

MR. SONN: Great.

Well, thank you, Chairs Krueger, Weinstein, Ramos and Joyner, and other members of the committee. Thanks for the opportunity to testify this evening on the competing proposals to raise New York's minimum wage. I'm Paul Sonn, with the National Employment Law Project.

I'll briefly summarize some of the key points that I spell out in more detail in my written testimony.

First, the highest inflation in

40 years is rapidly eroding New York's first-in-the-nation $15 minimum wage and reducing the historic reductions in poverty and earnings inequality statewide that the $15 minimum wage achieved.

The Legislature, we respectfully urge, should reverse those gains by first including in the one-house budgets the Raise the Wage Act that many of you are cosponsors of, and it's sponsored additionally by Senator Ramos and Assemblymember Joyner, and then work to pass it. It would raise the minimum wage to $21.25 by 2026 and then automatically adjust or index it each year after that so that it keeps up with inflation and worker productivity going forward.

The Governor's meager minimum wage proposal -- which is far less generous than New York's last minimum wage increase that the Republican-led Senate negotiated and passed back in 2016 -- is far too small and really, with respect, should be a nonstarter.

While there are many problems with it, its major failing is that it provides only

for tiny adjustments to partially respond to future inflation, while ignoring altogether the huge past drop in the value of New York's minimum wage as a result of inflation since 2019. In essence, the Governor proposes to close the inflation barn door only long after the horse has escaped.

The Governor's proposal would lock in the inadequate $15 minimum wage by implementing just tiny increases averaging about 40 cents a year. What that means is under the Governor's proposal, by 2027, New York's minimum wage would still be only $16 and change.

By contrast, Table 2 in my testimony shows what minimum wages will look like in other high-cost places in the country by then. They will be in the 20 to $21 range in many high-cost cities, including Seattle, Washington, D.C., Denver, Colorado, and others.

Moreover, other high-cost states such as Massachusetts, Vermont and California are proposing increases in the $20 range. The

Raise the Wage Act would bring New York's wage in line with those similar high-cost places. The Governor's proposal would leave it $4 or $5 an hour lower than these other high-cost regions. Fresno, California, and Yakima, Washington, would have higher minimum wages than New York under the Governor's proposal.

Even worse, her proposal would not even ensure that New York's wage keeps up with inflation going forward. That's because she has capped increases at just 3 percent. In the very first year, inflation will be 6 percent. Be happy to go into other details of how her indexing proposal is far out of line with what, you know, the majority of the other states use.

There's a lot of research that has shown that the $15 minimum wage didn't hurt jobs. And finally, today they rolled out a coalition of more than 200 businesses statewide, in all regions of the state, backing the $21 Raise the Wage Act. They span from Western New York to Long Island

to --

CHAIRWOMAN KRUEGER: I have to cut you off, Paul. Sorry.

MR. SONN: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

MR. SONN: Thank you.

CHAIRWOMAN KRUEGER: Certainly.

Good evening.

MR. BARAN: Good evening.

Can you hear me or -- can you hear me now? Yes, okay.

Thank you to Chairs Krueger, Weinstein, Joyner, Ramos and the entire committee for the opportunity to testify today. My name is Hugh Baran. I'm an attorney at Kakalec Law, a workers' rights law firm based in Brooklyn and serving workers across the state.

I'm here to testify about why Assemblymember Joyner and Senator Hoylman's EmPIRE Worker Protection Act, A1893/S541, needs to be included in the budget as a revenue-raiser that would contribute close to $30 million annually to the DOL's budget,

allowing the agency to hire more investigators and enforcers for years to come, to address our state's wage-theft crisis.

Employers steal $3 billion every year from New York workers. This theft disproportionately affects Black, Latinx, immigrant workers and other workers of color who are disproportionately represented in high-violation industry jobs. We've always depended on a combination of private and public enforcement to address this wage theft and other violations of the Labor Law.

Despite new protections that have been enacted by the Legislature, several trends are jeopardizing New York workers' ability to exercise their rights. On the public enforcement side, caseloads have risen at DOL, but staffing levels have declined -- so much so that DOL has fewer than half the investigators that it had in the 1960s.

On the private litigation side, increased fear of retaliation and other hurdles have posed obstacles to workers

trying to address violations of their rights.

As you just heard from my colleague Paul Sonn, there's been a lot of talk about raising the minimum wage in the budget, and it appears likely this could be done through the budget. But passing a higher minimum wage will be undermined if workers can't enforce the minimum wage and wage-theft protections that we already have on the books.

The EmPIRE Act would address the state's lack of public enforcement capacity by allowing workers and labor organizations to stand in the shoes of the state and bring public enforcement actions seeking civil penalties, declaratory and injunctive relief for wage and hour, health and safety, and retaliation violations.

EmPIRE encourages robust enforcement of the Labor Law, awarding workers affected by violations a 40 percent share of civil penalties recovered, with 60 percent going to the DOL to fund future public enforcement efforts in a typical case.

The EmPIRE Act does not create any new requirements for employers. It simply expands public enforcement of laws that are already on the books. DOL simply does not have the resources to address the current scale of the wage-theft crisis, and a temporary increase in DOL's budget will not change this.

The act states that civil penalties recovered for DOL are to be used for enforcing the Labor Law and are to be continuously appropriated to supplement and not supplant the funding to the agency for those purposes. This will create a permanent revenue stream for DOL's enforcement for years to come.

In California, PAGA, a law which inspired EmPIRE, has generated an average of $67 million per year for that state's Department of Labor. It's estimated EmPIRE would generate close to $30 million per year. That money can help fund hiring of more investigators and enforcers for years to come.

Thank you. Happy to answer any other questions about EmPIRE.

CHAIRWOMAN KRUEGER: Thank you.

Our first questioner is Chair Senator Ramos.

SENATOR RAMOS: Thank you, Chair Krueger. And welcome, gentlemen. Great to see you all.

Mr. Baran, I apologize, I'm not going to be asking you questions, mostly because I agree with everything you've said.

(Laughter.)

SENATOR RAMOS: And I do agree with the other gentlemen, of course, but I would love for James Parrott to expand a little bit on actual possible solutions to our UI situation and how to bring the fund out of the deficit that it's in, in hopefully about a minute?

MR. PARROTT: Yeah. So as I was indicating, the main problem is that the taxable wage base in New York is only $12,300. So an employer only pays the UI tax on the first $12,300 in wages.

New York is the highest-wage state overall, so a lot of wages in New York are going untaxed. So effectively you could raise the taxable wage base in the neighborhood of $50,000 to $60,000, which would not make it the highest -- Washington State is at $62,000, a half-dozen states are around $50,000.

You raise it to $50,000, you could generate more revenue, pay off the trust fund debt in two to three years, lower taxes on small employers. New York State has latitude under federal law to change the emphasis that experience rating has in the -- in setting the tax rates. That could further lower the tax rates on small employers.

So it's raising the tax rate, changing -- raising the taxable wage base, changing the structure, shifting the tax burden from small employers to large employers.

SENATOR RAMOS: Thank you. And succinct, I appreciate that, Mr. Parrott.

MR. PARROTT: Thanks.

SENATOR RAMOS: Mr. Sonn, thank you for being here.

You know, you worked on the last campaign to raise the minimum wage, and I think one of the biggest myths that I hear is that it will somehow hinder job growth. But we saw the opposite with the last minimum wage increase.

Can you expand on what we can expect?

MR. SONN: Sure. There have been a total -- and our colleague James is the author of one of them, so he should feel free to elaborate. There have been a total of five separate studies of the impact of New York's $15 minimum wage. You know, a couple -- several by universities, including James's, also the University of California and Columbia University, one by the New York Federal Reserve Bank. All of them found that they raised pay for millions, resulted in significant reductions in poverty, and there was no evidence of job loss.

This includes upstate. For example, the Federal Reserve looked at job growth

patterns along the Pennsylvania/New York border where the wage differential is about $4 or $5 an hour --

SENATOR RAMOS: Anything about Long Island? I'm trying to get Senator Martins on the bill.

(Laughter.)

MR. SONN: Yes, on Long Island as well. The most significant one was the recent University of California study which looked at the impact of the full $15 minimum wage on Long Island and upstate counties, and it found that job -- it focused on the fast food minimum wage, which has been at $15 for several years, long enough to study. It found that job growth was equal to or faster in Long Island and upstate than in similar counties in other states that had much lower minimum wages.

CHAIRWOMAN KRUEGER: Sorry, Paul, I have to stop you there.

SENATOR RAMOS: Thank you, Paul.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

ASSEMBLYWOMAN JOYNER: Member Lucas.

ASSEMBLYWOMAN LUCAS: Thank you, Madam Chair.

I think this is for EmPIRE Coalition.

MR. BARAN: Yes.

ASSEMBLYWOMAN LUCAS: You mentioned in your testimony that the loss of 3 billion in wages that are stolen each year due to inadequate enforcement of the Labor Law.

Can you speak to what enforcement should look like? As well as what mechanism as legislators should we have in place to curtail these types of losses?

MR. BARAN: Absolutely. So I think there's always got to be a combination of different enforcement mechanisms. And that's how the law has always -- our laws under the federal law, the Fair Labor Standards Act, and the New York Labor Law, have always treated it.

But there's going to be public enforcers like the departments of labor but also private enforcers, people who are directly harmed by the violations, bringing

lawsuits in court to address these violations.

Part of the problem right now is that the -- there isn't a significant enough deterrent mechanism for employers because the penalties are so low. You know, even if workers get together and bring a claim for the violations -- like we, for example, represent workers at a paper bag factory upstate. The violations, you know, end up being a couple of minutes a day. For each worker, those violations are very small-dollar.

And for the employer, at the end of the day, if they have to pay, it's not necessarily a lot of money to that employer. They pay that money that they stole plus an equal amount is liquidated damages. And it ends up being very little to deter the violation. And so a lot of violations go undetected and unabated.

The EmPIRE Act, if it's enacted, would create a new default civil penalty of $500 per pay period per worker per violation.

From that penalty, 40 percent would go to the workers who are affected by the violations and 60 percent would go to the Department of Labor to fund future enforcement.

And in California, where they have this similar law, those penalties have helped start new enforcement initiatives and fund new enforcement initiatives, in particular to address independent contractor misclassification.

ASSEMBLYWOMAN LUCAS: Thank you for that.

MR. BARAN: You're welcome.

CHAIRWOMAN KRUEGER: Thank you.

Oh, do you have more? I'm sorry, you have a few more seconds if you wish.

ASSEMBLYWOMAN LUCAS: No, I'm okay.

CHAIRWOMAN KRUEGER: I didn't want to cut you off.

Okay, Senator Martins.

SENATOR MARTINS: Thank you.

It's good to see you again. It's been a few years.

MR. PARROTT: Yup.

SENATOR MARTINS: You know, I do have some concerns. I've heard from constituents back home that every time they go to the supermarket the price of things is higher. It just costs more. And, you know, it's not due to anything we've done. Certainly there's inflation nationally, and they're seeing the impacts of those -- that inflation reflected in their ability to purchase everyday items.

There is a concern that increasing minimum wage will add to an inflationary cycle and add to costs to basic goods to people who are looking to purchase, and will impact those, especially those on fixed incomes who are unable to absorb that.

And so I was curious if you can give us your insights, whether you relate back to the minimum wage increase that was done just a few years ago or whether you have independent insights of that. For those who are concerned about an increase and how it's going to impact those who are least able to pay, what say you?

MR. PARROTT: Well, I can start and Paul can supplement this.

Look at our experience when we raised the -- when we phased in the $15 minimum wage in New York City. So the minimum wage basically doubled between 2014 and 2019. There was no noticeable inflation at that time in New York.

The recent inflation we've had is very unusual. You know, it's due to a combination of factors, none of which are related to what people might call wage push inflation -- wages rising, leading businesses to raise prices. The inflation we've seen is due to supply chain problems related to the pandemic, the Russian war in Ukraine and the effect that that's had on oil prices and grain prices and food prices around the country.

Plus, you know, there's a recent report from the Federal Reserve Bank of Cleveland that found that corporate pricing power was responsible for half of the inflation recently, which just added to

profits.

So none of the research about the recent inflation -- or our own experience in New York when we raised the minimum wage to $15 -- points to an effect on minimum wage increases leading to inflation.

MR. SONN: So it really is not a driver of inflation, but it's a vital response to inflation. Because inflation is eroding consumers' and workers' purchasing power in their -- you know, you just have to go to the grocery store or the gas pump and you can see how everything is costing a lot more.

And the Governor's very small proposal is just not enough to help to catch paychecks up to where they need to be.

SENATOR MARTINS: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

ASSEMBLYWOMAN JOYNER: Member Simon.

ASSEMBLYWOMAN SIMON: Here we go. Thank you.

Thank you, Mr. Parrott. I always

enjoy hearing from you and your expert advice. You were once in my neighborhood on an issue --

MR. PARROTT: We're well-represented in the Assembly.

ASSEMBLYWOMAN SIMON: So I think this sounds like a great idea.

But I wanted to also speak to Mr. Baran about the EmPIRE whatever Act -- sorry. And I just -- for a matter of the record alone.

So you're essentially raising the penalties and you're empowering individual attorneys or not-for-profit public interest law firms, for example, to in fact act as the Department of Labor, get those penalties, and they would be empowered to bring an action for declaratory relief penalties, injunctive relief, but not damages. Is that correct?

MR. BARAN: That's correct.

ASSEMBLYWOMAN SIMON: Okay. So this -- we're not talking about mental distress or other kinds of damages that are usually the kinds of things people are

worried about in terms of the, you know -- what is the -- the opening-the-floodgates kind of thing. So this really is going to be limited in terms of the kind of remedies that you can get that would directly then help New York State as well as help those workers who would get a cut of that.

Is that correct?

MR. BARAN: Correct.

And so where the Labor Law already provides for a civil penalty, that is the civil penalty that would apply. Most of the Labor Law provisions do not provide for that kind of civil penalty. And so there would be a new default penalty that would apply in these actions of $500 per worker per pay period per violation.

So it's very predictable and clear what the costs of stealing wages or committing other violations of the Labor Law are, and part of our hope is that it will actually deter those violations from happening in the first place.

ASSEMBLYWOMAN SIMON: We have passed a

couple of bills that are about wage theft. I had passed a wage-theft law last year; there have been others. Why are they not sufficient for this purpose?

MR. BARAN: So there's a combination of reasons. One is -- there's definitely a combination of reasons. Part of the -- on the private enforcement side is there's a real increased fear of retaliation among workers, particularly immigrant workers in the current anti-immigrant climate that we're facing. That's one big problem.

The other problem is just various obstacles to privately enforcing your rights in court, and to banding together to enforce rights in court. You know, some of those are obstacles that we've seen from the Supreme Court and bad decisions in case law there. But they're not only limited to that.

And in general -- particularly a lot of these wage-theft cases involve small-dollar violations. And frankly, for attorneys like me, a lot of those kinds of violations just simply aren't big enough to

be able to have an incentive to pursue.

ASSEMBLYWOMAN SIMON: Hard to find counsel.

MR. BARAN: And so when you have --

CHAIRWOMAN KRUEGER: I'm sorry, I have to cut you off. Thank you.

Senator Robert Jackson.

SENATOR JACKSON: Am I to close? No.

But thank you for coming and speaking out.

Paul, I want to ask you what -- can you talk about the impact of the Governor's proposal on home care workers and the vulnerable population that they serve?

MR. SONN: Yeah, it was really quite surprising that the Governor, having just negotiated 10 months ago this important $3 an hour wage premium for home care workers, that she's now proposing to freeze it and phase it out.

And, you know, I think every -- the rationale for that policy was that home care work is so demanding that it needs to pay above minimum wage in order to be able to

adequately recruit a workforce, you know, in light of our urgent home care labor shortage. So the policy needs to be kept permanently above minimum wage.

And so Senator Ramos and Assemblymember Joyner's Raise the Wage Act would do that. It would preserve the $3 increment. It would modify it so that as the minimum wage goes up, the home care wage would remain $3 above the general minimum wage, preserving that important incentive.

The Governor, though, is proposing to strip that away, and it's really puzzling and really, you know, kind of counterproductive. And with respect, we would urge the Legislature to preserve that important gain for home care workers and build on it with the Raise the Wage Act.

SENATOR JACKSON: And so it will be up to us in order to pass the law and, if she vetoes it, to override the veto.

MR. SONN: I don't think -- she proposed modifying the law from last year. The law as is is written to keep the home

care wage $3 above the minimum wage. So that includes the minimum wage phased up to $21 under the Raise the Wage Act. So as long as you do not accept the Governor's amendments that were included in her budget proposal, the $3 increment will stand.

But you obviously need to be very clear on that.

SENATOR JACKSON: And Jim, what do we need to do from a legislative point of view in order to basically raise the revenue in order to help reduce the time frame to pay back the money for the unemployment? I mean, do we have the heart to do that?

MR. PARROTT: You know, other states change their taxable wage base all the time. New York seems to have a really hard time addressing its unemployment insurance problem. It wasn't addressed from 2000 until 2014, and then the proposal was so flawed that many of us were skeptical that the -- you know, that it would effectively prevent the trust fund from going into debt the next recession. The trust fund lasted two weeks

this time before New York had to start borrowing.

You write legislation that changes the UI tax structure. That's at the discretion of New York State. You have to be in compliance with federal guidelines on that. New York has a fair amount of latitude. Other states have much higher taxable wages bases.

We can change the taxable wage base in the structure and project out what that would do to the trust fund balance. And that likely would allow for an acceleration of repaying the debt and increasing benefits. because our benefits are really -- they're below mediocre.

SENATOR JACKSON: And we call ourselves the Empire State.

CHAIRWOMAN KRUEGER: I have to cut you off, Robert. Sorry.

Assembly.

ASSEMBLYWOMAN JOYNER: Okay. Thank you to the panel for your insight on all of the proposals that you brought up.

I had a couple of questions for Hugh. The EmPIRE Act is currently not in the proposal, the Governor's budget proposal. So can you talk a little bit more about this $30 million that could potentially be a revenue-raiser? How many jobs do you estimate DOL could see from this?

MR. BARAN: Yes, so in California the PAGA, which is the law that inspired EmPIRE, has generated an average of $67 million per year from 2016 to 2021. And so our estimate of $30 million per year is sort of accounting for New York's just a smaller state than California and there's fewer -- obviously there's fewer workers as a result.

But we do think that once attorneys have become familiar with how to use EmPIRE, that it's going to generate a lot of revenue, and potentially more. It might -- we actually think we've run a fairly conservative estimate.

In terms of jobs, I mean, what we've seen in California is it's actually enabled the hiring of a lot of new people into their

state DOL. You know, first there were people -- part of the way the EmPIRE Act works is that you have to file a claim, a notice of claim with the Department of Labor. So there will be people at the department reviewing those notices as an initial matter that will help sort of spur other investigation efforts. Those are jobs that will be created.

In addition, then once the revenue starts coming in from EmPIRE actions, we think there could be dozens of new investigators and enforcers who are hired. I don't have exact numbers at my fingertips; I'm happy to get that to you if you like.

But I think what's really important about this is it's a permanent revenue stream. It's not something that would vary year to year based on a budget. It's money that's going to come in every year from these EmPIRE actions, and it will be protected to be used for these enforcement purposes.

ASSEMBLYWOMAN JOYNER: Okay, great.

And my remaining two questions are for

the remaining panelists. The Governor's proposal has a 3 percent cap on minimum wage indexing. Can you talk a little bit about what the impact will be to workers?

And then I know, James, you spoke about the taxable wage base. I think you said 12,000, right? It's currently at $12,000?

MR. PARROTT: Twelve thousand three hundred currently, right.

ASSEMBLYWOMAN JOYNER: And if you could speak -- if we change that, what would the impact be on businesses and employers as well?

MR. SONN: The Governor's proposal to cap inflation adjustments at 3 percent would mean that not only would workers' minimum wage not catch up for the past inflation since 2019, but it wouldn't even keep up with inflation in the future. Because this very first year, inflation is supposed to be close to 6 percent. She would authorize only a 3 percent increase. So New York's minimum wage will continue to erode.

Of the 19 other states that adjust their minimum wage for inflation, 16 have no caps or limits. It hasn't resulted in unmanageably high minimum wage increases, including during the past years of high inflation. They're just completely unnecessary and unfair, and they should be rejected.

Also, almost no other states have the -- she would automatically suspend increases whenever unemployment ticks up. Virtually no other states do that. And that should be rejected as well.

CHAIRWOMAN KRUEGER: Thank you.

Okay, I think I might be the last Senator.

So James, I read your report, and I completely agree that New York should have done this years ago, and we haven't. And I think, following up on where I had to cut off Senator Jackson before, so some of us are worried we're going to hit a new recession in not that long, and we're going to need to deal with unemployment benefits again.

How quickly could we implement the changes you're making recommendations that we should do, so that come the next time we actually have a more reasonable benefit level for unemployed workers? Because I'm not counting on the federal government coming to give us more benefits again.

MR. PARROTT: Yeah. Right. I think that's a reasonable thing to not assume.

Well, I doubt that you could rewrite the tax structure by the end of the month and put it in this budget. But, you know --

CHAIRWOMAN KRUEGER: But soon after.

MR. PARROTT: I'll help, if you -- you know, if there's interest in doing that.

I did meet with the UI specialist at the Labor Department last week to review this proposal, because I wanted to make sure that they didn't see any legal reason why New York State couldn't do that. I didn't hear any objections on those grounds.

They did say, however, that because of this computer system, which is not yet fully modernized, that you couldn't implement a new

system, including the tax structure part of it, until the new system is in place. So -- but hopefully it will be done by the end of the calendar year -- I think that's what the commissioner was saying -- so that conceivably it could be in place a year from now.

CHAIRWOMAN KRUEGER: So it could be in place by the end of '23, is that what you're saying? '24?

MR. PARROTT: Well, the end of '23 -- I mean, it's mainly a function of the computer system.

CHAIRWOMAN KRUEGER: Right.

MR. PARROTT: You would have to -- you would have to, you know, decide the best way to reconfigure the tax structure, the combination of taxable wage base and what you want to do about experience rating and so on.

None of that is -- you know, it's not, so to speak, rocket science to do that. You just have to figure it out.

CHAIRWOMAN KRUEGER: But we have other states to look at for the models, right?

It's not like we're starting from scratch.

MR. PARROTT: Oh, absolutely. Absolutely, right.

CHAIRWOMAN KRUEGER: So it's not that hard to steal good ideas from other states.

MR. PARROTT: Right.

CHAIRWOMAN KRUEGER: Right?

MR. PARROTT: Yup.

MR. SONN: Hundred percent.

CHAIRWOMAN KRUEGER: Okay -- no, I don't have enough time to start another question. So I want to just thank all of you for your good work.

Is there another Assemblymember?

ASSEMBLYWOMAN JOYNER: No.

CHAIRWOMAN KRUEGER: And we have no other Senators. I know you want seconds and thirds, but we're not letting you do that.

So with that, I want to thank you all very much for participating and waiting all day to testify before us.

MR. BARAN: Thank you.

MR. SONN: Thank you.

CHAIRWOMAN KRUEGER: I want to ask you

or excuse you to leave or go back to your seats.

And I'm going to call up the next and actually now it will be the final panel: Make the Road New York, New York Communities for Change, and ALIGN. And I'm also going to ask to come up at the same time No. 16, the New York State Climate Education and Green Energy Careers, because Nos. 14 and 15 both were not able to join us. Okay? And it just seems silly to do three and then one.

Okay? Thank you. So I see three, I'm hoping for four. Oh, they're coming, they're waving. No problem. Don't rush.

(Discussion off the record with Mr. Flint, Speaker No. 16.)

CHAIRWOMAN KRUEGER: We're all a very civilized group. Last night we had pro-tobacco and anti-tobacco people at the same table at the same time.

(Laughter.)

CHAIRWOMAN KRUEGER: Okay, I purposely set it up that way. But, you know, it was a long day. Sorry. And it was a health

committee -- Health hearing.

Okay, hi, everyone. I'll start with my right, your left. So please just introduce yourself and start for your three minutes.

TAL FRIEDEN: Thank you, honorable chairs and committee members. My name is Tal Frieden. I work at ALIGN as the campaign coordinator for Raise Up New York.

Raise Up New York has built a powerful alliance of labor unions, grassroots organizations and businesses in support of raising the minimum wage to over $21.25 by 2026, and indexing it annually thereafter.

ALIGN was active in the Fight for 15, as were many of the members of the Raise Up New York coalition, who together represent almost 1.3 million workers across New York State.

The Raise the Wage Act is also supported by New York Business for a Fair Minimum Wage, a growing coalition of over 200 businesses and business organizations across New York, from retailers, restaurants and

other small businesses to farms, manufacturers, and more.

Our coalition members are UAW workers manufacturing Ford F150s in Buffalo, farmworkers harvesting our food in the Finger Lakes region. They're home care workers in the Hudson Valley, providing essential care to those who need it.

Raise Up New York represents fast food workers across the state, 32BJ airport workers at some of the busiest airports in America, and UPS Teamsters in Long Island, who provide the logistics infrastructure that keeps our economy running. These are the workers who will see a direct impact in their wallets when we raise the minimum wage.

According to the Economic Progress Institute, under Senate Bill 1978A and Assembly Bill 2204A, 2.9 million workers would receive an average raise of $63 per week. This increase of over $3,300 per year could mean the difference between eating and heating, between a stable home and housing insecurity, or between childcare and missing

work.

Governor Hochul has put forward a modest proposal to index the minimum wage starting at $15 an hour, with caps and exceptions that limit the impact of this measure. While it is important that the Governor has recognized that we need to raise the minimum wage, her proposal has serious faults. Namely, it does not first raise the minimum wage, an essential element of restoring the minimum wage's power lost due to rising prices.

Under the Governor's proposal, 900,000 workers would get an average raise of $13 per week. Again, under the Raise the Wage Act, 2.9 million workers, or a third of New York State's workforce, would get an average raise of $63 per week. The Governor's proposal leaves out 2 million workers and gives those who do get a raise barely enough for a sandwich in New York City.

Moreover, the Governor funds her proposal by reversing the historic raise that the Legislature granted essential home care

workers last year, ensuring that they would return to minimum wage work around the year 2030 when the minimum wage would finally reach $18 an hour under her proposal.

New York should not cut benefits for some workers in order to pay for raises for others. All workers need an immediate increase in the minimum wage.

This policy is incredibly popular. Eighty percent of voters -- Democrats, Republicans, independents -- support it, and 70 percent think the minimum wage should be over $20 an hour.

CHAIRWOMAN KRUEGER: Thank you. I have to cut you off there.

TAL FRIEDEN: Thanks.

CHAIRWOMAN KRUEGER: Next?

MS. SOLIS: Good evening. Thank you for sticking it out with us. My name is Angeles Solis. I'm with Make the Road New York. I represent here 24,000 workers, immigrants and tenants fighting for protections in their community.

And I'm here to testify for a critical

piece of legislation carried by Labor Chair Senator Ramos and Assemblymember Karines Reyes, the Unemployment Bridge Program, S3192 and A4825. This legislation is a solution to a structural problem, and that is exclusion in unemployment insurance, which we've talked a lot about today.

Unemployment insurance is more than a benefit, it is an essential labor right. When losing your job means losing everything, workers are less likely to speak up in dangerous conditions. This is something I see and our members see every single day. This was the case for Juan Chonillo, an NYCC {ph} member who lost their life on a Manhattan construction site and we honored earlier this year. Safety nets are a matter of life and death.

The UBP, or the Unemployment Bridge Program, is a solution for over 750,000 New Yorkers ineligible for traditional UI. Freelancers, undocumented workers, people on reentry and those in the cash economy would be covered for up to $1200 a month for up to

six months. We're talking about $1200. This is not a luxury, this is basic needs support.

So let's talk quick numbers, because I've got a minute. Research shows that for every dollar provided in unemployment compensation, recipients generate $1.93 right back into the economy. Undocumented immigrants paid 1.4 billion over the last decade directly into UI. So they subsidize this benefit for other workers, but they're excluded themselves.

Freelancers are a growing part of our economy. It's an exploding sector in our workforce. And nearly 60 percent of them say that they will likely do this work in the future. These are in your districts, meaning these workers lack protection without the UBP.

Incarcerated workers make the very furniture we sit on, to license plates, to hand sanitizer in New York for pennies an hour, but when released are denied UI. With the UBP we can improve public safety, greatly reduce recidivism, and save the costs of

incarceration in New York State. Quick number there: Recidivism can cost $50,000 per year per person for someone in reentry, while UBP would cost a maximum of 7200 per person.

So there's a strong economic argument here of a spending boost. We can expect 250 million back to New York City alone, 43 million back to Long Island, the Hudson Valley and other regions across New York State.

Five hundred million is what it would cost. That includes 15 percent for the Department of Labor. And it would be funded through the digital ad tax, which generates over a billion for New York State alone.

And in my last 16 seconds I'll just say that if the Legislature was able to justify 455 million for beautification projects like the Belmont State Track, the Legislature can also justify the same amount of resources to cover all workers that make those projects run, including the labor of excluded workers. So we're counting on you

to bring this program home and to remedy the exclusions in our social safety net.

Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Next up?

MR. SANCHEZ: Hi, good evening.

My name is Lucas Sanchez. I'm the co-executive director of New York Communities for Change. We're a community-based organization representing around 20,000 members in New York City and on Long Island.

I'm also here as a member of the Fund Excluded Workers Coalition, the Raise Up New York Coalition, and the EmPIRE Act Coalition.

On a personal level, I'm also here on behalf of immigrants like me and my family. I came here in the late eighties as an undocumented immigrant. My family, my aunts, my uncles, family friends, everyone I grew up with, were undocumented immigrants from Colombia. And the legislation I'm going to talk about is legislation that would have

impacted family members like me and millions of other folks that have arrived in similar ways.

Again, thank you so much for the opportunity to testify. I want to talk about three important pieces of legislation: The Unemployment Bridge program, sponsored by Senator Ramos and Assemblymember Reyes; Senator Ramos and Assemblymember Joyner's bill to raise the minimum wage; and Senator Hoylman-Sigal and Assemblymember Joyner's bill, the EmPIRE Act, Empowering People in Rights Enforcement.

So the UBP, the Unemployment Bridge Program, would provide unemployment insurance to 750,000 workers excluded from traditional insurance, with 30,000 people expected to get benefits at any given time, and would work similarly to traditional unemployment.

The UBP is a lifeline for the self-employed. It is also about carceral justice and a public safety issue. Twenty thousand workers reentering the labor force after prison or detention would be covered

during their first year post-release.

If we want to tackle public safety, if we want to tackle the root causes of public safety, this is something that will help us with that. It's also an immigrant justice issue. Immigrant workers pay over 100 million a year into the unemployment insurance system in New York, but cannot access a cent.

Again, this is a racial and economic justice issue. Black and brown workers are disproportionately impacted by unemployment -- with, for example, Black unemployment rates typically running nearly twice as high as the rate for white workers.

For the second piece of legislation we support, we must raise the minimum wage in New York. I think it's clear to everyone that $15 an hour is not sufficient to make ends meet anywhere across the state, and it is just impossible to survive. And we must raise the minimum wage.

As for the EmPIRE Act, this will really expand the state's enforcement

capacity and deter wage theft by creating a mechanism that will allow workers in labor organizations to step into the shoes of the state and file claims for violation of the law.

We are counting on you, our elected officials, to bring this legislation home and to really help all workers across New York State. Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Excuse me. Hi. And you were, again? You were for the -- I know this --

MR. FLINT: It has to be too long, doesn't it?

CHAIRWOMAN KRUEGER: -- Climate Education and Clean Energy careers.

I'm sorry, Adam, yes.

MR. FLINT: Well, I just want to thank you, Senator Krueger, and Chairs Ramos and Joyner and the remainder of you who have just amazing stamina. I don't think I could pull that off.

So I'm Adam Flint, and I wear a number of hats. But I'm here today representing a

working group with a very long name, climate education and clean energy careers. I've been in this space since the first year of Green Jobs, Green New York. And I've also co-led a consortium that designed NYSERDA's new $53 million Regional Clean Energy Hub program. And a lot of this draws on that experience.

The proposals in my testimony, my written testimony, most of them are in the New York Renews "Climate and Community Protection Plan," which I don't know that has been formally introduced yet, but it will be hopefully soon. The working group that I represent included or includes a number of organizations from across the state: Educators, workforce professionals, labor, community-based organizations -- including ALIGN, our neighbors to the left -- NYATEP, New York Renews, UUP and so forth.

We convened because we saw a critical gap in state policy and programs that we really need to fill in order to build the 21st-century workforce in an equitable way

that is required to meet our ambitious CLCPA goals. To put it bluntly, not only does the state lack a plan with resources to meet this challenge, but it also lacks any official space in which to create such a plan.

And so our first proposal is to fund a working group, interagency plus stakeholders working group, to do the job that unfortunately was not done at any point in the CLCPA.

In terms of the Governor's budget and NYSERDA, funds are too few and, perhaps more importantly, are not appropriately designed for the needs of this sector. They tend to favor larger, already successful groups with a lot of resources. Groups that don't meet those conditions often just won't qualify or can't practically use the money.

The Governor's own Strategic Workforce Development Office fund, if I'm reading things right, was zeroed out for this year, even though there's funding for future outyears. That fund would need to be reconfigured as well.

We don't anticipate federal funding from any source to do anything differently. I spoke to the seniormost official in this area in DOE, and if you're not doing formal apprenticeships, there's not going to be a lot of money.

The CLCPA -- sorry. We need this funded group of folks to do the work of putting together a proposal, and we need for the various agencies involved to have a more nuanced and comprehensive plan to cover the entire State of New York and all of its citizens.

Thank you.

CHAIRWOMAN KRUEGER: Thank you.

I think our first questioner is Senator Ramos.

SENATOR RAMOS: Thank you, Chair Krueger.

Hi, everybody. Good to see you. We've had a great day.

Tal, thanks for testifying today. I'm wondering if you can expand a little bit about how this helps -- how raising the

minimum wage helps in terms of public safety. And maybe a few seconds on more of the business support that we've been seeing.

TAL FRIEDEN: Sure.

So first of all, all of the research shows that raising the minimum wage is good for small business. There are countless studies -- Paul mentioned this. We can send multiple studies to your offices regarding the impact on small business.

Our coalition is over 200 businesses and growing. They include farms, construction, real estate firms, restaurants, manufacturers, some of the lobbying firms here in Albany. It's really across the gamut, in districts across the state from Brooklyn to Montauk. And I can, you know, quote some of them on their support.

I can also say that James Parrott, who was here earlier, authored a really important report that showed that raising the minimum wage and ensuring living wages does wonders to ensure thriving communities. Thriving communities are communities where folks are

not driven to crimes of poverty or other types of criminalization that we see in our communities.

So there's research showing that when you pay people, it's good for the community. It's not hard to understand fundamentally. But there's also research to show that as well.

SENATOR RAMOS: Thank you, Tal.

Angeles, for the Unemployment Bridge Program that we've introduced this year, can you talk a little bit about how it would work in light of the UI deficit that we've been talking about here?

MS. SOLIS: Yup.

So there's a couple of ways to answer that question. First, the UBP is needed because tens of thousands of workers are excluded from the UI due to federal rules.

Second, we should not sacrifice safety-net programs as we work to overhaul all of the issues that we need to fix with UI.

It is also funded through a different

revenue source, so it doesn't actually interact with the UI trust fund. And just on the UI trust fund, I believe that James Parrott really is the expert here and can speak to more.

But the problem with the UI system is not fraud or employers being overtaxed. It's the chronic insolvency because of the irresponsible tax rates and not being able to keep up over decades.

SENATOR RAMOS: Thank you, Angeles. I'm sorry to cut you off.

Lucas, my Colombian parcero, can you talk a little bit about how the UI benefits for reentry people work?

MR. SANCHEZ: Sure. Thank you, Senator, for that question.

So although many, many people work while they are incarcerated or while they are in immigration detention, this labor is not recognized as employment and, you know, cannot be used to establish the necessary earnings history required for traditional unemployment insurance.

So this program will really provide benefits to New Yorkers who haven't had access to that. And again, you know, the data is clear that recidivism is very much tied to a person's inability to find employment, to have an income, and to have stable housing.

SENATOR RAMOS: Thank you, Lucas.

Adam, I ran out of time, I'm sorry. Love your work, though.

CHAIRWOMAN KRUEGER: Assembly.

ASSEMBLYWOMAN JOYNER: Member Zinerman.

ASSEMBLYWOMAN ZINERMAN: Good evening. thank you all for your really good --

{Inaudible interruption.}

ASSEMBLYWOMAN ZINERMAN: As you know, and we're going to make this happen.

My question is for you. New Yorkers did a great thing, we passed MRTA and we passed the Environmental Bond Act. And so there's all of these great jobs that you just talked about that are available where we don't have a mechanism for how are we going

to get those who actually need these jobs -- that could help with our unemployment rate and other ways -- into these jobs.

So do you have a figure? Because I don't have your testimony in front of me. How much would the working group cost? And then if you could --

MR. FLINT: We have a back-of-the-envelope figure, I'll be honest, of about 3 million.

ASSEMBLYWOMAN ZINERMAN: Three million dollars.

MR. FLINT: Yeah.

ASSEMBLYWOMAN ZINERMAN: And so you're asking for that to be a part of the one-house this year in order for the working group to get started.

(Overtalk.)

MR. FLINT: Yeah, and part of that is we want to --

ASSEMBLYWOMAN ZINERMAN: Is this going to be a multiyear group? Or is it --

MR. FLINT: Oh, yeah.

ASSEMBLYWOMAN ZINERMAN: Okay, mm-hmm.

MR. FLINT: We want to make sure that lack of compensation doesn't limit who can be on this committee.

ASSEMBLYWOMAN ZINERMAN: Okay, so --

MR. FLINT: Which is something NYSERDA is already actually doing. No more volunteerism for people who can't afford it.

ASSEMBLYWOMAN ZINERMAN: Thank you.

Oh, I have 1:47. So let's talk about you -- you get the working group together. So just kind of walk us through some additional steps. I mean, you -- are you -- and I think this is the first time we have one bill that's being proposed where they've actually named the members of the community that -- community groups that are already there working. Do you have a list of groups that you want to be a part of this working group, this interagency working group?

MR. FLINT: Yeah. It's not a -- it's not a complete list. And we would want to establish some criteria. We look a lot at the same kinds of procedures that have been used recently in connection with

CLCPA-related work with NYSERDA in terms of criteria.

I think part of the reason why we're really focusing on this is that we could propose, all right, we need this amount of money for this particular program. But we know that in order to do anything comprehensive, we really need to have everybody at the table. And unfortunately, because of the way the CLCPA was written, which in turn was because of who was and wasn't at that table at the time, we need to do that.

So, you know, we can say, for example, the state badly needs to be able to spend money to market and educate that this is in fact a growing and established set of careers that are fantastic careers, very well kept secret in most places. Most of the money does not touch K-12 because it doesn't lead to very-near-term employment. We need to do something about that.

So there's a whole list of things we've developed that's in the testimony, but

this for us is just the teaser. We really need to do this comprehensively.

ASSEMBLYWOMAN ZINERMAN: I note you're asking for a carve-out so that the big boys don't suck up all the air and all the money before the working group comes back with its recommendations. And in three seconds?

MR. FLINT: Yes.

(Laughter.)

MR. FLINT: I can only say yes or no.

CHAIRWOMAN KRUEGER: All right. Robert Jackson.

SENATOR JACKSON: So, beautiful people, let me thank you for hanging in there and putting forward the advocacy that you do on behalf of the organizations that you represent.

And I'm one of those individuals that I'm sure that I'm on those bills. And if not, I will be on them ASAP.

And just keep pushing in the right direction in what you're doing in order to make us do the right thing on behalf of all of the people that we represent.

With that I say to all of you, as-salamu alaykum. Peace be upon all of you.

CHAIRWOMAN KRUEGER: Okay, Assembly.

ASSEMBLYWOMAN JOYNER: Member Lucas.

ASSEMBLYWOMAN LUCAS: Thank you, Madam Chair.

Okay, this is for New York Communities for Change. In your testimony you mentioned Senator Ramos's and Assemblymember Reyes's bill on the Unemployment Bridge Program, which will provide unemployment insurance coverage to 750,000 workers excluded from traditional insurance.

You mentioned to include a digital ad tax from companies with gross revenues of 100 million. What percentage of that tax would be levied to those companies to generate the revenue? Do you have any data that supports this ask? And is it adjusted for inflation?

MR. SANCHEZ: Sure. So just to stress, so the Unemployment Bridge Program will be revenue-neutral, and the digital tax is expected to raise a billion dollars for

New York State.

ASSEMBLYWOMAN LUCAS: I'm sorry, can you speak into the -- thank you.

MR. SANCHEZ: Sure. Sorry.

So just to start again, so I want to stress that the Unemployment Bridge Program is absolutely revenue-neutral, and the digital tax is expected to raise a billion dollars for New York State.

To be clear, the tax will collect a small portion of the annual revenues of digital advertising services from companies whose gross and annual revenues from these services is 100 million or more.

So in terms of the other specific questions and the numbers, that is something that I can definitely get to you.

ASSEMBLYWOMAN LUCAS: Appreciate that.

And is it adjusted for inflation, and do you have data that supports it?

MS. SOLIS: On the inflation one, let's get back to you on that one.

ASSEMBLYWOMAN LUCAS: Okay.

MS. SOLIS: But there is data.

So there's several states that have made a move to pass this ad tax. And folks might be wondering what that is. It's essentially the advertising that is already existing out there, bringing in millions if not billions of dollars of revenue for major tech corporations like Amazon, eBay, Google, that they aren't getting taxed on. Right? That's missing revenue for our state.

So -- (indicating timer) the little peep. So in Maryland in particular, I do want to add, they've passed the first-in-the-nation digital ad tax. U.S. Chamber of Commerce, Comcast, Verizon and industry groups backed by big tech players like Google and Amazon brought forward two separate lawsuits. Now those lawsuits and those counts have been dismissed in the federal challenge. This is, again, new tax law that we want to bring across the table.

(Unintelligible overtalk.)

MS. SOLIS: But in terms of data, it will stand on its feet.

ASSEMBLYWOMAN LUCAS: So I got it, you

got support.

MS. SOLIS: Sorry. Yeah, gotcha.

ASSEMBLYWOMAN LUCAS: This tax proposal is actually -- has some similarities to the payroll tax that the MTA is seeking to get out of its financial bind. Are you concerned -- or what would you say to those who would view this as a double taxation on companies at a time when businesses are reducing their workforce by either laying off employees or imposing hiring freezes?

And could you possibly guarantee that the revenue projections will actually happen on this proposed tax?

MS. SOLIS: Those are good questions. Again --

CHAIRWOMAN KRUEGER: {Mic off.} You don't have any time to answer.

MS. SOLIS: Oh, okay.

CHAIRWOMAN KRUEGER: {Mic off.} You can write up your answer --

MS. SOLIS: I'll follow up.

ASSEMBLYWOMAN LUCAS: I appreciate it. Thank you.

CHAIRWOMAN KRUEGER: -- and send them to us and we'll get them to everyone. Or you can have an offline conversation with the Assemblymember in just a few minutes, because you're the last panel I'm going to be thanking -- {mic on}. Excuse me.

You'll be the last panel I'll be thanking during this year's budget hearings, because you have the honor and privilege of being the last panel of the last budget hearing for '23-'24.

And I sincerely want to thank all the legislators who participated during all of these hearings for three weeks. I want to thank all of the staff who worked so hard to get us here and through these events. And that's both houses, both parties, not just legislative staff, but the staff who makes sure that we can stay here till sometimes late at night. And didn't even get that much pizza this year, actually. Overtime, I have no idea how their pay works, actually. But that we can talk about at another time.

But Helene had to leave a little

early, but she wanted to make sure that I reference how much we both appreciated everyone's participation this year. We barely had to use the gavel once.

So really, thank you all for being our last panel tonight. Thank you, everybody who's here and has been here. And I'm officially closing down the '23-'24 New York State constitutionally required budget hearings.

Thank you.

(Applause.)

(Whereupon, at 7:54 p.m., the budget hearing concluded.)