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

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JOINT LEGISLATIVE HEARING

In the Matter of the
2024-2025 EXECUTIVE BUDGET ON
WORKFORCE DEVELOPMENT

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Hearing Room B
Legislative Office Building
Albany, New York

January 30, 2024
3:30 p.m.

PRESIDING:

Senator Liz Krueger
Chair, Senate Finance Committee

Assemblyman Harry B. Bronson
Chair, Assembly Committee on Labor

PRESENT:

Senator Thomas F. O'Mara
Senate Finance Committee (RM)

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

Senator Jessica Ramos
Chair, Senate Committee on Labor

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

2024-2025 Executive Budget
Workforce Development
1-30-24

PRESENT: (Continued)

Assemblywoman Stacey Pheffer Amato
Chair, Assembly Committee on
Governmental Employees

Senator Steven D. Rhoads

Assemblyman Joe DeStefano

Senator Shelley Mayer

Assemblywoman Jo Anne Simon

Assemblyman William Colton

Senator Alexis Weik

Assemblyman Jonathan G. Jacobson

Assemblyman Billy Jones

Assemblyman Michael Durso

Senator George M. Borrello

Assemblywoman Jodi Giglio

Assemblyman Robert Smullen

Assemblyman Matt Slater

Assemblywoman Gina L. Sillitti

Senator Iwen Chu

Assemblywoman Chantel Jackson

Assemblyman George Alvarez

Assemblyman Angelo Santabarbara

Senator Mario R. Mattera

2024-2025 Executive Budget
Workforce Development
1-30-24

PRESENT: (Continued)

Senator Jack M. Martins

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CHAIRWOMAN KRUEGER: Good afternoon, everyone. Hi. I am Liz Krueger, chair of the State Senate Finance Committee, and I am announcing that we are starting Budget Hearing No. 2 for today, the Workforce Budget Hearing. It's the joint legislative hearing of the State Senate Finance Committee and the Assembly Ways and Means Committee.

Today, for people who keep track, this is the fifth of 13 hearings conducted jointly by the fiscal committees of the Legislature on the Governor's specific proposed budget for state fiscal year '24-'25. These hearings are conducted pursuant to the New York State Constitution and Legislative Law.

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

Following each testimony -- or the

panel, complete panel's testimony, there will be time for questions from the chairs of the relevant committees and other members of the relevant committees.

I will now introduce from the Senate, and Assemblymember Harry Bronson, chair of the -- brand-new chair of the Assembly Labor Committee, and serving today also in the role of chair of Ways and Means in the absence of Helene Weinstein, he will introduce members of the Assembly after I introduce members of the Senate.

I'm also joined by Senator Tom O'Mara, the ranking member of the Senate Finance Committee, and we will be introducing our Senate colleagues. I see Senator Ramos, Senator Robert Jackson.

And, Tom, would you like to introduce your members of your party?

SENATOR O'MARA: Yes. We have, on our side, our ranker on Civil Service, Senator Alexis Weik, and Senators George Borrello and Mario Mattera.

CHAIRWOMAN KRUEGER: Thank you.

And now, Senator Harry Bronson -- Senator, look at that. Okay.

ASSEMBLYMAN BRONSON: I don't want that promotion, by the way.

(Laughter.)

CHAIRWOMAN KRUEGER: All right. How about brand-new Labor Chair Assemblymember Harry Bronson.

ASSEMBLYMAN BRONSON: Now, that is music to my ears.

So I'm glad to be with you, Chair Krueger. Happy to be joined by Chair of Government Employees Stacey Pheffer Amato. Also Assemblymember Jo Anne Simon and Assemblymember Billy Jones.

CHAIRWOMAN KRUEGER: Great, thank you.

And we have three panelists here before us, Commissioner --

ASSEMBLYMAN RA: Can I have a moment to introduce my Assemblymembers?

CHAIRWOMAN KRUEGER: Oh, I'm sorry, Assemblymember Ra. Excuse me.

ASSEMBLYMAN RA: No problem. Thank you.

We are joined by Mr. DeStefano, who is the ranker on Government Employees, as well as Assemblymembers Slater, Durso and Jodi Giglio.

CHAIRWOMAN KRUEGER: Thank you very much. I didn't mean to leave you out of this. I apologize.

And of course I didn't actually mention that Senator Ramos is our chair of Labor, and Senator Jackson is our chair of Civil Service. So glad they're both here with us.

SENATOR JACKSON: Don't forget "Pensions" in there.

SENATOR RAMOS: And our pensions.

CHAIRWOMAN KRUEGER: Oh, I didn't see it on my notes. Thank you. Most important, everyone's pensions. Thank you.

SENATOR RAMOS: Everybody likes platinum.

(Laughter.)

CHAIRWOMAN KRUEGER: Thank you.

I'm going to start with Commissioner Reardon, from the Department of

Labor; then we're going to go to Commissioner Hogues, Department of Civil Service, and then Michael Volforte, director of the New York State Governor's Office of Employee Relations.

Just to remind everyone, you each have 10 minutes to present. If your testimony is longer, we all have copies of it, we recommend just bullet-pointing your most important issues. And then the chairs have 10 minutes to ask and answer questions; the rankers have five minutes. Everyone else has three minutes.

And there are clocks everywhere to keep track of the time.

So with that, Commissioner Reardon, good afternoon.

DOL COMMISSIONER REARDON: Good afternoon. I'd like -- (loud feedback).

CHAIRWOMAN KRUEGER: Something's gone wrong up there, folks.

ASSEMBLYMAN BRONSON: Hope it's not a sign.

(Laughter.)

CHAIRWOMAN KRUEGER: All right, try one more time?

DOL COMMISSIONER REARDON: I'll try it one more time. Should I push that --

CHAIRWOMAN KRUEGER: Oh, yes, press till it turns green. Press a little harder.

DOL COMMISSIONER REARDON: There.

(Extended loud feedback.)

(Off the record.)

DOL COMMISSIONER REARDON: Let's try it again.

Good afternoon. I'd like to begin by acknowledging Chairs Krueger and Weinstein. Thank you for inviting me to testify today. Distinguished members of the committees, thank you for giving me the opportunity to provide an update on our efforts at the Department of Labor. I am Roberta Reardon, New York State Commissioner of Labor.

Over the last year, I have been able to dedicate more time to meeting one-on-one with many of my partners in government. It's been incredibly rewarding, and I'm really looking forward to continuing these

conversations in the future. These one-on-one discussions include meetings with our esteemed Labor chairs, Senator Ramos and Assemblymember Bronson. It's clear you both have such a genuine passion for labor and a tireless pursuit for justice and fairness in New York's workforce, and it's a passion that we share. Congratulations to my friend Harry for his new role. I'm very happy to have my friend and colleague serving as the chair of Labor in the Assembly.

As I testify before you today, I am reminded of the profound transformations that have unfolded during my time as commissioner. The world around us has undergone significant changes, and so too has the DOL, constantly adapting to meet these evolving challenges.

With that in mind, I'd like to take the opportunity to reintroduce who we are and what we do for the people of the State of New York.

The DOL is an agency operating with greater efficiency and unity than ever before. We're not just a collection of

divisions with varied responsibilities. We are a unified entity driven by a singular mission, and that is to serve the people of New York. We are interconnected and collaboratively focused on serving workers, including helping young people safely enter the workforce, assisting businesses, and empowering New Yorkers in their pursuit of employment.

Whether our customers are looking to receive unemployment assistance, pivot to a new career, enhance their skills, or need help recovering stolen wages, we are here to help.

Everyone at the DOL has a role in our success. And by ensuring that our fellow New Yorkers thrive, we are helping to fuel our state's economic might.

This is a moment of opportunity, and we continue to explore new, innovative ways to improve the delivery of our wide spectrum of services.

For instance, we now have virtual agents helping Unemployment Insurance

customers get quick answers. Our virtual phone agent was launched just last July, and in that time it has answered 5.5 million questions.

After authenticating, our customers can resolve a lot of account-specific issues through self-service, and it is truly a game-changer. We continue to refine that tool's capabilities.

As you know, we are also in the process of overhauling our antiquated 1970s UI mainframe with a new, state-of-the-art system that will improve communications, resolve claims faster, and improve fraud detection, because we must continue to protect this valuable social service system.

We're making sure that businesses are paying their fair share. Last year we reached an unprecedented settlement with rideshare giant Uber. The company agreed to make quarterly and retroactive payments into the state's Unemployment Insurance Trust Fund. New York is the first state in the

nation to secure an agreement of this caliber with Uber.

In worker protection, we continue to develop our multifaceted case management system that will ultimately allow New Yorkers to report labor violations, including wage theft, unemployment fraud, and more online.

We've also ramped up our efforts to combat child-labor violations. According to our data, from 2021 to 2023, there was a 290 percent increase in reported child-labor violations statewide. Many of you have likely seen articles about this issue across the country. Now more than ever, the increase in violations is due to public awareness and subsequent reporting.

I thank Governor Hochul for helping us shine a light on this issue and lead an aggressive crackdown with the establishment of the state's Child Labor Task Force.

As part of these efforts, we've also visited hundreds of businesses to ensure compliance, launched a Child Labor

Information Hub on our website, and established the Protect Youth Workers Pledge, which encourages employers to affirm they have educated their employees about labor rights and signs of labor trafficking.

I thank the Legislature for advocating for additional resources for worker protection. This division is such an important arm of our agency, and they are safeguarding our most precious workforce.

With an ever-present focus on workplace equity, we released two important reports: One looking closely at the impact the pandemic had on the gender wage gap; the other a first-of-its-kind study examining employment disparities among transgender, gender-nonconforming and nonbinary New Yorkers.

As Governor Hochul continues to spur economic growth in every part of our great state, we are doing our part to support businesses small and large. We continue to gauge the needs and concerns of our business community through our annual surveys. We

also spearheaded a small business tour, where we visited Utica, Troy, Buffalo, and Rochester to highlight state resources that can help these community cornerstones thrive in today's economy.

This is in addition to the many services we offer to businesses, including workforce recruitment, consultations, hiring incentives and so much more.

With so much new economic activity happening right now, and more on the horizon, it is still very much a jobseeker market. And with over 200,000 positions in our statewide job bank, now is the perfect time to take advantage of career opportunities.

Our career fairs, both in-person and virtual, continue to be popular among both businesses and jobseekers. These events showcase opportunities from across the economic spectrum, with positions in the communities where these jobseekers live.

We also continue to hold virtual workshops to help New Yorkers have every advantage possible in the job market. And we

capitalized on cutting-edge technology in the expansion of our Virtual Career Center, an online platform that helps New Yorkers accelerate their career search.

We're using many of these tools as part of our ongoing effort to help asylum seekers gain work authorization and find jobs. These individuals certainly face some unique challenges, but we're up to the task. After all, the Governor asked us to do what we do for all New Yorkers, and assisting asylum seekers affirms our mission to support a diverse and inclusive workforce statewide.

I'd like to extend my deepest gratitude to Governor Hochul for entrusting us with additional resources and tools as part of her proposed budget. Her faith in our department empowers us to maximize the impact of every dollar, ensuring that we continue to effectively serve the workers and businesses of New York.

For instance, the proposal to Expand Recovery Tools for Stolen Wages would be a big win for our Worker Protection Division.

This is a very dedicated team of people who have seen their responsibilities expand significantly over the years. Most recently, the expansion of the Workplace Violence Prevention Law to include elementary and secondary public education facilities added 4,400 more employers under the purview of this unit.

Tools are vital in equipping these dedicated individuals to meet the evolving challenges in worker protection.

I'd also like to thank the Governor for supporting several other initiatives that align with our core mission. In the coming months, we will be working to expand our Registered Apprenticeship Program to incorporate younger students and our state agencies. We'll also be enhancing our Teacher Ambassador Program, establishing the Office of Workforce Data and Research, and developing a Youth Worker Bill of Rights.

This administration made these proposals in response to concerns raised by you, and we look forward to your continued

partnership in our efforts.

This is a moment of transformation, where our commitment to adapt and lead change is paramount. Our focus is clear: to serve the people of New York with unwavering dedication and excellence. With the support of this budget, we are set to enhance our strategies and operations, ensuring that every decision and action aligns with our mission to support workers, businesses, and communities.

I see the Governor's budget proposal as more than a fiscal plan. It is an invitation to collaborate on a blueprint for a brighter, more equitable future for everyone statewide. We aim to transform these challenges into opportunities for growth and progress, while building a legacy of innovation, equity, and resilience -- setting new benchmarks in public service -- the betterment of all New Yorkers.

Thank you.

CHAIRWOMAN KRUEGER: Thank you very much.

Let's go next to Commissioner Timothy Hogues. Good afternoon.

DCS COMMISSIONER HOGUES: Good afternoon, Chairs and distinguished members of your respective committees. My name is Timothy Hogues, and I am pleased to serve as the commissioner for the Department of Civil Service.

I appreciate the opportunity to appear before you to comment on Governor Hochul's Executive Budget for fiscal Year 2025, as well as to highlight the exciting modernization initiatives the Department of Civil Service is undertaking.

We continue to grapple with hiring challenges that differ from generations past. Over the past decade, the state workforce has decreased by approximately 10 percent, leaving vacancies in thousands of positions responsible for providing critical services to New York State residents.

To rebuild New York's public workforce, we are completely retooling the way we conduct our business here at

Civil Service to modernize and remove barriers to employment for all jobseekers.

Top of mind for all the efforts we are undertaking is ensuring that diversity, inclusion, and equal opportunity are at the forefront of all statewide initiatives. We want to build a workforce that is reflective of the many faces, voices, backgrounds, and ideas of those we serve.

And I believe the programs we are implementing will carry out Governor Hochul's vision and have a lasting impact on the makeup of the public service workforce for future generations.

When I presented my budget testimony last year, the department was in the beginning stages of implementing the Hiring for Emergency Limited Placement program, or HELP, at both the state and local levels to address the workforce shortage in critical health and safety titles.

These programs are addressing emergency staffing situations by allowing state and local agencies to more swiftly hire

candidates that meet the minimum qualifications for these positions.

I am pleased to report that the HELP program has been crucial in growing both the state and local workforce over the past nine months. To date, more than 7,000 individuals have been hired into health and safety positions through this program, helping to reduce the staffing shortages in these crucial roles.

With that said, New York State agencies and localities continue to report chronic hiring difficulties in the post-COVID-19 labor market. At the state level, agencies are having a persistent recruitment challenge, and a shortage of candidates exists across all occupations.

To assist with this issue, the department, at Governor Hochul's direction, is implementing an expanded program called the New York Hiring for Emergency Limited Placement Statewide program, or NY HELPS. Through NY HELPS, which was recently approved by the Civil Service Commission, all state

agencies will temporarily be authorized to make appointments to nearly any position typically filled on an open-competitive basis.

The expanded NY HELPS program will enable New York State agencies to fill critical vacancies more effectively and efficiently during this temporary period.

I want you to know that the department is very cognizant that local governments are struggling as well, and in fact we have heard from many legislators and local government officials expressing their support for implementing NY HELPS in their districts.

This is why we intend to submit a request to the Civil Service Commission at the February meeting to approve a local version of the NY HELPS program.

While we are working to fully implement NY HELPS for a May 2024 launch, the department is also undertaking a review of college-degree requirements for civil service titles and will consider equivalent experience where appropriate, thereby

removing additional educational barriers for entry to civil service jobs.

Public- and private-sector employers are resetting degree requirements as part of a growing recognition of the value of work and life experience. We are hopeful that reassessing degree requirements will help us in our efforts to reach jobseekers in communities where going to college isn't always possible, but who have real-life work experience to contribute to the workforce.

While this work is underway, the department will continue to carry out and implement the transformative initiatives proposed by Governor Hochul and adopted with your support as part of last year's budget. We are building #TeamCivilService, and we will be establishing computer-based testing centers all across the state, where in-person exams will be held throughout the week to meet jobseekers where they are.

This paradigm shift will boost opportunities for all New Yorkers to participate in exams, including individuals

who do not have a computer or internet access, making the Empire State more competitive with the private sector in our recruitment efforts.

Further, we will promote the availability of thousands of public service careers through the Centers for Careers in Government located at DOL Career Centers.

We will also launch a public awareness campaign to promote, in both English and Spanish, the values of public service, and the benefits and varied opportunities available as a New York State employee.

Through this work, we will be embedded throughout communities across the state, which will enable us to further our work with community-based organizations to create awareness about the plethora of opportunities and benefits available in public-service careers.

As part of Governor Hochul's ongoing commitment in building a strong public workforce, the department looks forward to working with our partners across state

government to develop and offer new training focused on anti-racism in 2024.

As we seek to recruit more diverse talent to the public sector, one of the key benefits we continue to highlight is the expansive health plans we offer to New York State employees. As the administrator of NYSHIP, which covers 1.2 million members, we are proud to ensure access to high-quality providers and services.

We have recently reached a five-year agreement with Carelon for Empire Plan Behavioral Health benefits. We believe this new agreement will allow us to expand our provider network and provide access to critical behavioral health benefits.

In addition, I am pleased to report the department is expanding dental dependent coverage up to age 26, allowing dependents between the ages of 19 to 26 to remain covered without providing proof of student status.

We will also work to promote the nation-leading paid parental leave program

Governor Hochul has implemented for a majority of the state workforce, which provides 12 weeks of fully paid leave for parents to spend caring for their newborn children, as well as implement the expansion of the Paid Family Leave program to allow individuals 40 hours of paid leave for prenatal care.

Last but certainly not least, I would like to take a moment to extend my sincere appreciation to the staff that make up #TeamCivilService. Thank you for your hard work and dedication.

Together, this robust package I have highlighted will help us eliminate barriers to entry for civil service jobs, meet jobseekers where they are, and create a pipeline of the next generation of diverse talent into the state workforce.

Thank you.

CHAIRWOMAN KRUEGER: Thank you.

And our last testifier, Michael Volforte, director of the New York State Governor's Office of Employee Relations.

GORE DIRECTOR VOLFORTE: Good afternoon, Chair Krueger, Chair Weinstein, Chair Bronson, other respected chairs and honorable members of the Assembly and Senate.

My name is Michael Volforte, and I am the director of the New York State Office of Employee Relations. Thank you for the opportunity to speak to you about Governor Hochul's Executive Budget proposal for fiscal year 2025 as it relates to our agency and the state workforce.

The proposed budget continues Governor Hochul's commitment to streamlining hiring of state employees to ensure critical positions are filled. As Commissioner Hogues mentioned, last year Governor Hochul introduced the HELP program to streamline hiring of employees into healthcare and public-safety titles. This year the Governor is building on that success by expanding that program.

As part of efforts to make working for the State more attractive, our office worked with the unions and the Department of

Civil Service to reduce the health insurance waiting period for new insurance to kick in, to 28 days.

This year's budget provides additional tools to ensure state government has the workforce it needs to deliver services to the public. The Governor has proposed that our office negotiate the elimination of the longstanding lag and salary deferral programs for new hires, which have hindered New York's ability to compete in an ever-tightening job market.

Additionally, as part of this year's coming Executive Budget, our office will lead a public awareness campaign to educate future and current state employees about the federal government's Public Service Loan Forgiveness Program. Our effort will build on legislation, enacted by the Legislature and signed by the Governor in 2022, to make the program more accessible by setting a standard hourly threshold for full-time employment for these purposes and clarifying key legal terms associated with the program.

Our campaign will bolster the recruitment and retention of state employees by making sure they have knowledge of this valuable program and that agencies do their part by advertising the program and assisting employees in getting these valuable benefits.

The Governor has also directed the Department of Civil Service to identify and implement opportunities for experience-based hiring to supplement more traditional credential-based methods for hiring candidates.

Consistent with the Governor's State of the State message and our requested budget, our office will take the lead on providing additional diversity, equity and inclusion training for the state workforce, to foster a work environment of inclusivity and continue to move New York forward as an employer of first choice.

Over the past year, we successfully negotiated three new collective bargaining agreements. All of these agreements contained compensation increases in each year

of the agreement and introduced cost-saving measures that preserve health benefits while helping to control the growth of costs borne by employees and the state.

Negotiations continue with all of our other unions with expired agreements. Our approach in negotiations will remain consistent with the Governor's message of being fair to employees and ensuring that state agencies are positioned to deliver outstanding services to New Yorkers.

OER fields numerous inquiries every day from executive branch agencies. We routinely dispense advice on 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.

Executive branch agencies continue to administer their own telecommuting programs.

Most still 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 benefit programs for state employees that save employees pre-tax dollars for various eligible healthcare, dependent care, and transportation expenses. Last year there were over 22,000 enrollments in the various programs. We continue to make our pre-tax program even more attractive by allowing individuals to roll over unused funds for 2024 for the Health Care Spending Account and providing a grace period for our Dependent Care Advantage Account and Adoption Expenses flexible spending accounts, where employees can use their 2023 balance during the first two-and-half-months of 2024 to

incur new expenses and utilize previously deducted unused funds.

We've also been able to fund increased employer contributions for the Dependent Care Advantage Account for the second year in a row.

We also assist employees through our labor-management committees. These committees distributed over 10,000 job-and-career-related tuition reimbursement benefits in the last year and offer a WellNYS Everyday program. Our Employee Assistance Program had well over 20,000 contacts from employees last year seeking help.

Lastly, through our labor-management committees, we continue to foster and develop the state's training and professional development programs. And in 2023, we offered training programs ranging from leadership skills to more technical topics such as writing skills, project management, investigative techniques, numerous information technology programs, and several direct-care topics such as gender-affirming

mental health care and behavioral therapy.

With respect to training, in 2023 OER also prepared and deployed a cadre of over 300 trainers to deliver on the Governor's commitment to in-person sexual harassment and workplace discrimination prevention training.

Consistent with the Governor's leadership on making New York a family-friendly employer, all the agreements we have reached so far have included Paid Parental Leave. This leave provides 12 weeks of leave at full pay for bonding with a child after the birth, adoption, or foster-care placement. This benefit provides much needed time for new parents to bond with new family members without having to make undue financial sacrifices.

In sum, under Governor Hochul's leadership, our office is actively engaged in support of programs that will ensure a robust, well-prepared executive branch workforce that all New Yorkers can rely upon.

Thank you.

CHAIRWOMAN KRUEGER: Thank you.

The first questioner will be chair of Labor for the Senate, Senator Ramos.

SENATOR RAMOS: Good afternoon. All right. Well, let's dig right in.

Commissioner Reardon, do you feel that the DOL is acting in their full enforcement capacity with the current level of staffing?

DOL COMMISSIONER REARDON: So our issue with staffing is we cannot find enough people to come in and fill the lines that we have. We have -- the agency has almost 500 open lines, and quite a few of them are in Worker Protection. And as my colleagues have said, it is a very difficult market now to bring people into state service, but we are trying very hard to do that.

We're not really -- you know, frankly, we were not hiring for a long time. One of the first things that Governor Hochul did was get rid of the hiring freeze, which was like manna from heaven, frankly, and we all began scurrying around posting our jobs. That's when we discovered that the market had really changed and it was really hard to get people

to come into state service.

And it's not just anybody. In Worker Protection we need people with language ability, we need people with cultural competency. These are difficult jobs, going out in the public facing an adversarial employer, often, and so -- and they need a lot of training. I want to thank Civil Service for the opportunity to do registered apprenticeships in the state agencies, because we're going to look at inspectors and, you know, our Worker Protection lines for those apprenticeships, because they need to be trained.

But the fact is, we are down, so we are struggling to meet our responsibilities. We are using a tremendous amount of technology. They need new tools. And for all of us, if we're doing everything -- if we're doing things the way we did 10 years ago, we're doing it wrong. Because the world has changed.

And we have turned our agency upside down looking at how do you do it now, what do

you need. We reassigned people, we developed new lines, so people have a career path through Worker Protection.

SENATOR RAMOS: Also maybe reforming Tier 6, when we get there, might incentivize people.

DOL COMMISSIONER REARDON: Out of -- out of my purview, but --

SENATOR RAMOS: I'll save it for Civil Service.

Can you tell me when the department collects penalties for wage and hour violations that are already not dedicated to a specific fund? How is that money typically used by the agency?

DOL COMMISSIONER REARDON: So that is put into the -- it's previously been put into the General Fund. I'm not sure what's happening with it right now. But, you know, it's collected and then it's part of the State Treasury.

SENATOR RAMOS: All right, thank you. Let's move on to wage theft.

Now, the Governor's proposal this year

to combat wage theft allows you to issue a lien. Sounds a lot like my SWEAT bill.

With your current staffing level, would the DOL have the capacity to handle the number of wage-theft violations?

DOL COMMISSIONER REARDON: We will never have enough people to handle all of the wage-theft violations that probably happen in the State of New York.

The lien is going to be really, really important -- not on the front end, it's going to be important getting the money back to the worker.

We get a lot of investigations done through the investigative period, but when it comes to collecting that money, it is very hard because we've had a lot of carrots and very few sticks. The Governor has given us a very good stick.

SENATOR RAMOS: That's a perfect segue to my follow-up, which is what additional enforcement tools would you find useful?

DOL COMMISSIONER REARDON: The ability to levy would be transformational.

We use that in the UI space because the amount of delinquent money in UI is very low. Because we have the levy ability, and they pay what they owe.

But in worker protection, we don't have that capacity.

Now, also I should say in worker protection there are other issues: They go bankrupt. They change the name of their company. They disappear into the shadows. So there are a lot of issues. If people are working in the cash economy, very, very difficult. We don't have good records. The workers themselves are afraid to come forward. So there are a lot of complications.

The levy will help us tremendously. It is not a magic wand, but it will help us return money at a much better clip than we do now.

SENATOR RAMOS: We certainly want that.

I'm glad you mentioned worker protections. What responsibility do you

believe an employer has in creating a safe work environment? Whose job is it to hold them to those responsibilities?

DOL COMMISSIONER REARDON: So we have a lot of that responsibility, and we enforce that regularly. We do a lot of work with our business community proactively. Our business reps on the workforce development side go out to individual places of work and work with those employers, explaining all kinds of things -- what are your needs in hiring -- but they also bring a whole list of the requirements that they need to follow to keep their workplace safe. Our workforce protection people also do that.

You know, the overwhelming majority of employers in this state are trying to do the right thing. The unfortunate thing is if you have a couple of bad apples in that barrel, they ruin it for everybody, because they're undercutting the fellow businesses and they're making life difficult for those workers.

SENATOR RAMOS: Yeah. You know, I

don't pass labor laws just for the fun of it.

DOL COMMISSIONER REARDON: No. And I enforce them. Thank you.

SENATOR RAMOS: And laws are only as good as they are enforced.

DOL COMMISSIONER REARDON: Yes.

SENATOR RAMOS: So I hope we can work together on that in this budget cycle.

DOL COMMISSIONER REARDON: Absolutely.

SENATOR RAMOS: Now, despite a rise in long COVID and high rates of worker injury in New York's largest employment sectors, workers are not taking the necessary time to recover because the TDI benefits are too low. They can't live off of $170 a week -- which has been true since 1989 -- let alone focus on their recovery. And this year the Governor proposes a gradual increase to 67 percent of their paycheck cap by 2029, which is not soon enough.

How is an injured worker in New York, in 2025, next year, supposed to recover and pay their bills off of a $280-a-week check?

DOL COMMISSIONER REARDON: So I'm very

happy that it's going to go up. But of course, you know I don't comment on proposed legislation, I just enforce it when it's passed and signed. Happy to do it.

SENATOR RAMOS: Okay. Well, last year we worked on raising the minimum wage. And the deal made under the former Governor entrenched a lower minimum wage upstate than downstate. Do you feel the same work done upstate has lesser value than the same work done downstate?

DOL COMMISSIONER REARDON: I don't think it's about lesser value. I do believe when that was done, with the support, obviously, of the Legislature, that it was a recognition that there are different economies in different parts of the state.

It is the current law. And even with increases there will always be, until you change it, a bifurcated minimum wage standard.

SENATOR RAMOS: Okay. I have time for more, so I want to move on to frequency of pay, which is also a proposal we saw in the

Governor's Executive Budget.

With the Governor's proposal regarding the frequency of pay and liquidated damages, she's looking to bring clarity to the conflicting stances of the First and Second Departments on the Vega decision. Why is the Governor choosing the interpretation that hurts manual laborers?

You know, in New York State people who work with their hands have to be paid every week. But now the Governor wants that to change to every two weeks.

DOL COMMISSIONER REARDON: The change that she's asking for is to remove the incentive for these class-action lawyers to chase these cases. And the incentive is that currently they are paid a hundred percent of what they would have -- they make double what they would have made, and it's a huge windfall for the lawyer that gets this case.

The change is that that incentive is removed, and so there's far less reason for anyone to pursue these cases because there's not that kind of money at the end of that

trial. You know, the issue of being paid once a week or once every other week is not -- it's actually not the issue that people are suing about. They're doing it because there's a huge windfall of money.

SENATOR RAMOS: All right, I'm going to squeeze one more in on the Just Transition Fund.

The Executive Budget contains 25 million for the Just Climate Job Training Fund mandated by statute. In speaking with the pipefitters, electricians, and utility workers, they're not clear on how to access these funds. It's been a year. Can you share more about the plans to get these funds disbursed to proper training programs?

DOL COMMISSIONER REARDON: So that goes through our Office of Just Energy Transition. We are working right now with NYPA to get that money moved into that office. It funds the office to do the work that it's supposed to do, and that money will be used to help transition fossil workers from fossil fuel work to green energy as well

as the --

SENATOR RAMOS: Sorry, Commissioner. When are they getting the money?

DOL COMMISSIONER REARDON: The money is coming right now and they can begin to talk to us -- we are already in conversations. I'm not actually sure -- I think there are probably different methods for people to apply to get that money. It's not just an open bankbook.

SENATOR RAMOS: Has there been any outreach to those particular trades about what the process will be?

DOL COMMISSIONER REARDON: We work with them a lot. We're very connected to all of those -- the construction trades, and we certainly have been in conversations, as has NYPA as well.

SENATOR RAMOS: All right. I'll leave it there and come back for seconds.

Thanks, Chair.

CHAIRWOMAN KRUEGER: Thank you very much.

Next is the Assembly Labor chair,

Harry Bronson.

ASSEMBLYMAN BRONSON: Thank you very much.

Commissioner, thank you for being here and thank you for being a good partner and protecting workers.

I want to start with Unemployment Insurance. And as you know, we have tremendous debt in the Unemployment Insurance. That impacts the State Unemployment Trust; it impacts the interest assessment that employers have to pay. And we're also paying to FUTA at a higher rate because of this, and that's going to keep going up.

What plans do we have to try to help those small businesses in particular who are, you know, really impacted on this? And they supply many of the jobs that we want to protect.

DOL COMMISSIONER REARDON: Right. So as you said, the FUTA is mandated by the federal government. That's a federal payment plan that we have no impact -- we have no say

on.

The IASs came from the laws that you passed in 2014 to reform UI -- thank you very much for that, but it does require that the interest is paid down. And then there's the regular experience rating that everybody has.

When a company's struggling, please reach out to us, either through the business advocate at UI or through our Career Centers, to the business services people. We send people out.

If somebody needs a payment plan, UI can work with them, within reason. We understand that, you know, this can be a difficult problem, particularly, as you say, for a small company.

But these issues are really for the most part out of our hands. They are required by law. And the good news is in the last two years we paid a billion dollars each year into -- to repay the trust fund. And if we're able to keep up at that rate, which everything looks great right now, we should be -- the fund should be restored by 2028.

ASSEMBLYMAN BRONSON: 2028. Isn't there a federal waiver that you can address the FUTA amount and have it -- so have you --

DOL COMMISSIONER REARDON: FUTA? I don't know. There are other waivers, but I don't know if there's -- let's find out for you, because I'm not aware of that. But there may be.

ASSEMBLYMAN BRONSON: And of course that's all in the context that we have to increase the maximum weekly payment under UI. But we're not able to do that until we deal with the insolvency, right?

DOL COMMISSIONER REARDON: Right. It's a bit of a catch-22.

ASSEMBLYMAN BRONSON: So I was intrigued by your testimony when I read it earlier today in connection with the settlement with Uber. And with Uber, you indicated that they have agreed to make quarterly payments to UI and also do a lookback and retroactive payments to UI.

I don't understand, how do you calculate what it is if they're not willing

to admit that their drivers are employees?

DOL COMMISSIONER REARDON: It is a very complicated settlement. I am extremely proud of the work that the men and the women of the UI Division did to arrive at this complicated arrangement. It was an eye-popping amount of money, which I'm not allowed to disclose publicly because it's a tax issue.

But they went back to 2014 and calculated the amount. In the agreement we agreed to disagree about whether or not they're employees. But for purposes of UI, they are paying into the fund and a driver will be eligible to collect going forward.

ASSEMBLYMAN BRONSON: Okay. And what happened to Lyft in that? Because you had another agreement with Uber and Lyft on other benefits for their drivers.

DOL COMMISSIONER REARDON: This is only for Uber. So in UI it's really employer-specific, these kinds of cases. And obviously a case like this has a ripple effect in the industry. I'm not at liberty

to talk about what we might be doing with any other rideshare employer.

ASSEMBLYMAN BRONSON: Okay. Turning to the Office of Just Transition, a couple of follow-up questions. You know, this is all about assisting in workforce training to move folks from the fossil industry --

DOL COMMISSIONER REARDON: Mm-hmm.

ASSEMBLYMAN BRONSON: -- into the green energy, right? And it's primarily for current workers. Is there also a component of that to try to get folks who are from disadvantaged communities or marginalized communities and have been on the economic sideline for far too long?

DOL COMMISSIONER REARDON: The CLCPA has very strong language about that. No less than 35 percent of the benefits of the CLCPA needs to accrue to these communities, including jobs. It's more than just jobs, but jobs specifically.

So they are very much a part of the focus of the Office of Just Energy Transition. One of the interesting things

about OJET is it is a forward-looking endeavor. So we know what the jobs in green energy are right now, but we don't necessarily know what the jobs or the skill sets will be needed in, say, five to eight years. So there's a real runway.

For people who are being impacted immediately, they are the people who are going to be given the immediate resources, the training, the retraining, whatever.

But we're also reaching into those communities to make sure that young people know these are careers for them. And it's not just in the building and construction trades. There's all kinds of work in this space that we need to expose young people to.

We have a Green Dashboard up on the website now that's talking about -- not so much the jobs, the skill sets. It's really -- I'm not going to tell you prepare for this job, I'm going to tell you you need these skills, because that's the important part of it.

But it's very much forward-thinking.

It's actually -- you know, think about battery storage. We know what battery storage is right now. But what battery storage will be in five years will probably be totally different. But the skill set involved in that world will probably be not that different. So helping people understand there is a future here for you. And that is under the CLCPA that we are required to do that.

ASSEMBLYMAN BRONSON: Well, and speaking of battery storage, great news from the federal government. SUNY Binghamton, Cornell, RIT will be part of a battery innovation hub. So in looking at how we better do that so that we can meet our climate goals.

But still with the transition, I think it's $22.5 million is budgeted this year. Last year we budgeted a million to get it started up --

DOL COMMISSIONER REARDON: To get it off the ground, yeah.

ASSEMBLYMAN BRONSON: This year, 22.5,

plus I think there's an administrative line there.

Any idea of -- you know, what are we going to be spending that $22.5 million on?

DOL COMMISSIONER REARDON: It's a lot of training programs. So as Chair Ramos said, the union workers in those former fossil areas will need to have additional training to retrain their workers. NYPA has been very engaged with the IBEW, because they work in their plants and they're really engaged in those conversations already.

It's really looking at, you know, what are the specific skill sets that we need to train people in, and how do we do that. And some of it will be, as I said, helping these apprenticeship programs up-skill and change what they're doing. But also there are lots of other training programs out there, plus training programs that probably need to be started. So there's a lot of that kind of infrastructure that will need to be built, people need to be trained, all that kind of thing. And it's -- it's exciting, it's a

little daunting because it's -- because it's not crystal-clear what it's all going to be yet.

But again, we know at least for now what the skill sets are, and focusing on those areas.

ASSEMBLYMAN BRONSON: Well, and it's a great opportunity --

DOL COMMISSIONER REARDON: It's a terrific opportunity.

ASSEMBLYMAN BRONSON: -- to be able to create opportunities for folks.

Turning to artificial intelligence. So the Governor's proposing $270 million to incentivize the development of AI. I sure hope that when we're looking at that, we make sure that if there's construction involved, we have project labor agreements. If, you know, there's a supply chain, we make sure that we have Buy American provisions in there. That we have labor peace agreements for the implementation and the maintenance of any facilities that are developed.

But we also have to look at and be

cognizant of the impact on our workforce and are they replacing jobs, and we have to be very cognizant about that. We also have to be cognizant of employers who are using AI now for employment decisions, whether it's hiring, whether it's promoting, whether it's moving shifts, things of that nature.

Has your agency been in conversations to try to tackle some of those things as we're in the beginning stages of AI?

DOL COMMISSIONER REARDON: We are indeed beginning to have those conversations. AI is a really interesting area. I mean, we all use it. If you drove your car here, you probably used Google Maps or something like that to get there, that's AI. Unless you unfolded a great big paper map, which I don't think anybody does anymore.

So, you know, it is a very useful tool. We want to make sure that the machines help the people. And that has always been the rub in every transformation. You know, the Luddites broke the weaver machines because they made lace by hand. We don't

want that to happen here.

But you have to make sure that you're doing it the right way. AI is an extremely helpful utility. And I don't think in the short run it's going to be replacing too many people. In the long run, it will change the way we work, undoubtedly. But we want that to be a benefit and not a deficit.

ASSEMBLYMAN BRONSON: So my request of you and the Department of Labor is that we're in front of this --

DOL COMMISSIONER REARDON: Yes.

ASSEMBLYMAN BRONSON: -- and try to ask those tough questions as we're spending hundreds of millions of dollars to launch this in the Governor's proposal.

DOL COMMISSIONER REARDON: Yes. And I'm very thankful the Governor has done this, because we need all the help we can get.

ASSEMBLYMAN BRONSON: All right, thank you. I'll come back.

CHAIRWOMAN KRUEGER: Thank you. {Mic off; inaudible.}

SENATOR JACKSON: Thank you. Good

afternoon, everyone.

So I just wanted to follow up on -- with the commissioner for the Department of Labor. I look at the time frame with the minimum wage -- it's raised in New York State, but it left out restaurant workers that depend on tips. And so the minimum wage is not being inclusive of everybody, and the majority of the restaurant workers are Black and brown women. And so can you tell me why they were not included in that particular raise when that could have happened just by the Governor signing a bill to do that?

DOL COMMISSIONER REARDON: So the subminimum wage issue, we held hearings in -- I think it was 2018 across the state. We held extensive hearings. And it was very enlightening.

As a result of those hearings, the miscellaneous tipped wages were raised, but the hospitality tipped wages were not. And that was because in hearing after hearing after hearing, we heard from the workers -- not from the employers, we heard from the

workers that they did not want us to change that.

Now, that is a very significant thing to hear. If that has changed, we should hear that. But that was what we definitely heard then. And if you want to pass a law making that happen, I will happily enforce it.

SENATOR JACKSON: One thing is enforcing it. And I'm asking opinions of you as the commissioner.

As you know, these restaurant workers are not being paid $16 per hour to work, and they have families, they have children, they have issues and concerns that impact them. And they need at least a minimum wage plus tips. We're asking --

DOL COMMISSIONER REARDON: So the law is --

SENATOR JACKSON: We're asking you and the Governor to be cognizant of the needs that these workers have, understanding that most of them don't have health insurance and things like that, so it's imperative that we give them the help that they need.

And not only you, but I'm really talking to you, I'm talking to the other two people, one from the OER and one from the Civil Service Commission, because all of the workers in New York State, it basically falls to us to help them, both from an administrative point of view, an executive -- the Governor -- and then also from a legislative point of view.

So we ask you to really consider that, understanding that, yes, there may have been hearings then, but California, Chicago and other cities, have moved towards a one-fair-wage, and it's working and working fine. Fine. And you know if it works there fine, this is the Empire State. We're supposed to be one that stands up and fights for workers. It's a unionized state.

So I ask you to please reconsider what you're doing in order to help these workers, mainly women, mainly people of color, earn a minimum wage plus tips. That's what I ask of all three of you.

DOL COMMISSIONER REARDON: Thank you.

SENATOR JACKSON: And then, Commissioner Hogues, I'm asking you -- I have heard many people say, including myself, about Tier 6. And as you know, the introduction even here this afternoon was Civil Service, and we yelled out "What about pensions?"

But I've heard loud and clear the term "Tier 6 sucks." That's what I've heard. And what does that mean to you as the commissioner, knowing that -- what people feel about Tier 6? And you may want to clean it up a little bit, though.

(Laughter.)

DCS COMMISSIONER HOGUES: So as you and I -- and thank you for that question. As you and I have worked together to promote the opportunities across New York State government, I've heard that loud and clear from you. Unfortunately, that doesn't fall under my purview.

What does fall under my purview is looking at total compensation packages for individuals. And as your honorable body --

and with the Governor's help, last year we were given the ability to put out a compensation study that should be coming out -- the RFP should hit the streets next month, to really look at how do we compare to the private sector. And not just in pay, but in pay and benefits and Tier 6 and all of that.

And so we are excited about that. It will probably be a year-long study to look at that, as well as look across all the titles and look at how we value titles. And so hopefully that will take us from a piecemeal type of approach to how do we compensate our employees. So like I said, we look forward to being able to do that.

Tier 6 is not under my purview.

SENATOR JACKSON: Well, hopefully I will say "Tier 6 is fine." But that's not what I'm saying now.

DCS COMMISSIONER HOGUES: Yes, sir.

SENATOR JACKSON: And I've heard that from union people all over the State of New York. And so it's my job to fight for

them. And it should be also the Executive and agencies' job to fight for the workers so that they can make sure, after they serve whatever time -- 20, 25, 30 years -- they could have a pension and Social Security that they can live off.

DCS COMMISSIONER HOGUES: And so hopefully this study will inform us all.

SENATOR JACKSON: I want to ask about the federal government's requirement of high-income retirees to pay the greatest share of Medicare and health insurance expenses. It says that IRMAA applied to Medicare beneficiaries who had a modified adjusted gross income above $103,000, and an individual with returns, $206,000 for a joint return. And the amount range that they would to have pay more is -- the minimum is $170 to $419 a month. And I took out a calculator; that's like, for the lowest-paid of $103,000, $840 more. And for $419 a month, that's $5,028. That's a lot of money.

So what's the justification for that?

DCS COMMISSIONER HOGUES: So we are

following the federal policy guidelines that recommend this, and this puts us in line. And it says that individuals that are making more should pay more for their premiums. So we're just following in line with the federal.

And I appreciate the concern, but the cost is beginning to grow.

SENATOR JACKSON: And Michael Volforte, let me ask you a question about the union PEF. I have a question about the laws that were passed last year with a pay-structure study and opening of new service centers. Is that in your jurisdiction as far as implementing contract agreements and things that's supposed to be done?

GORE DIRECTOR VOLFORTE: That would be Commissioner Hogues.

(Laughter; overtalk.)

SENATOR JACKSON: Pass the buck to the commissioner.

(Laughter.)

DCS COMMISSIONER HOGUES: Thank you,

Michael.

And so when you mentioned -- so as I talked about the pay study, that's what I mentioned should be out on the streets for the RFP early next month.

And what was the second part you mentioned? I wasn't clear on it.

SENATOR JACKSON: About, you know, opening new service centers in the law from last year with the pay-structure study.

DCS COMMISSIONER HOGUES: So the other -- and I believe the other piece you're talking to is our continuous recruitment efforts, to open up testing centers across New York State. Is that what you're talking to?

SENATOR JACKSON: Yes.

DCS COMMISSIONER HOGUES: Yeah. And so we are definitely underway in that. We're scheduled to open up five in the fall of this year for individuals to come and sit and take a test.

And so COVID decimated us and our ability to offer in-person testing. We

usually use schools and that sort. So it was tough for us to get back in. And so through the budget and your help, we were able to get the money available to open up 12 testing centers. And we're doing that on a staggered approach. And we're on target for that.

SENATOR JACKSON: Thank you.

Commissioner Reardon, I heard you talk about your recruitment fairs or job fairs. And I had one at Bronx Community College with the commissioner and other agencies.

I just think that we need to come together and put a big sign out there all over the place so we can get the people to come and get jobs. All of these vacancies that exist, we should be echoing that we have jobs -- come, see if you qualify; if you qualify, some of you may be hired right away. And if not, then look at other jobs that are available, especially with the group that the commission -- Civil Service Commission approved about two weeks ago for those people that are migrants or come in looking for jobs. As long as they're willing to work,

with whatever qualifications they have, let's put them to work.

DOL COMMISSIONER REARDON: I agree. We do a lot of career fairs and I'm very happy to say that my fellow agencies often have booths. Civil Service sits in our career fairs with us. Commissioner Hogues and I have a very close working relationship, and it's very beneficial.

It used to be that career fairs were strictly private industry. Not anymore.

SENATOR JACKSON: Well, I just want to beat the drums and get people to these career fairs and job fairs so that we can fill the jobs and fill the agencies' directives that just posted as far as enforcement and unemployment and other things like that.

DOL COMMISSIONER REARDON: I'm with ya.

SENATOR JACKSON: Thank you.

ASSEMBLYMAN BRONSON: Thank you.

And we have been joined by Assemblymembers Colton, Jacobson, Sillitti, and Jackson.

And next up will be ranker of Ways and Means, Assemblymember Ra.

ASSEMBLYMAN RA: Thank you.

Good afternoon, Commissioner, Commissioner and Director. Thank you for being with us.

Commissioner Hogues, I was wondering if I could ask a little bit about -- there was a report about this memo related to transitional titles that to my understanding are going to be created for migrants and asylum seekers with the intent of hiring these migrants throughout the state agencies to fill an estimated 4,000 jobs. They're laboring, non-competitive classes -- mainly I believe in food service, equipment repairs, facility management.

So can you just tell me a little bit -- who will be eligible for these transitional titles?

DCS COMMISSIONER HOGUES: Thank you.

So we work closely, once again, with DOL, at the direction of the Governor, to provide and look across state agencies to see

what titles may be available for individuals to participate.

And so the one correction I do want to make, that these positions, these jobs that will be available are for all New Yorkers, for anyone that meets these qualifications.

And so the reason why we needed to do transitional, temporary titles is to give individuals the opportunity to gain the experience or get their paperwork in order to be able to transition into full-time, regular positions.

And so we are excited about this. And this is no different from our traineeships and our apprenticeships that we have that allow individuals to up-skill or get the time on the job to be able to meet the qualifications. And so like I said, this is just a bigger part of our holistic approach to opening up government and making these jobs available and reducing the barriers. It goes along with the HELP program, it goes along with us looking at career degree requirements. It goes along with us looking

at multiple-choice exams and shifting to training and experience-type examinations. And so we're really looking at reducing the barriers to entry for all New Yorkers.

ASSEMBLYMAN RA: Okay. And -- yeah, I mean, I appreciate that clarification. Because I think, reading the memo, it obviously talked a lot about migrants and asylum seekers.

So any New Yorker who might have, you know, documentation about credits they've had in schooling or other things would be eligible for these transitional titles.

DCS COMMISSIONER HOGUES: Exactly.

And like I said, it's no different from our traineeships and apprenticeship-type programs to give individuals that may not have the qualifications right now opportunity to learn and earn and be a part of our workforce.

ASSEMBLYMAN RA: And obviously this I think relates to a conversation that's been ongoing, I know, in Commissioner Reardon's department as well.

So any of these individuals, whether they're, you know, outside of the category of what we'd call a migrant or asylum seeker -- or a migrant or asylum seeker -- would be somebody who has legal work authorization --

DCS COMMISSIONER HOGUES: Yes, correct.

ASSEMBLYMAN RA: -- before they're being hired.

Any idea on how long somebody would be able to stay in a transitional title?

DCS COMMISSIONER HOGUES: So, once again, these are temporary titles. The job is created for a 12-month period, in order for individuals or agencies to extend that period.

So it's not for the individual in the job. So if the job is created in January, it will end in December. And so the agency will have to come back to Class & Compensation to say, Hey, we need to extend this. So even if you hired an individual in March, they don't get to stay till next March. So it's more about the job that is approved.

ASSEMBLYMAN RA: I assume perhaps maybe they're now qualified for something that required six months of, you know --

DCS COMMISSIONER HOGUES: Right, exactly. And so we take a regular look at that.

ASSEMBLYMAN RA: Okay. And, you know, that 4,000 number is eye-opening. Can you just tell us what other initiatives or what's been ongoing to try to do outreach and recruit to connect New Yorkers with those job opportunities, to try to fill some of those jobs?

DCS COMMISSIONER HOGUES: Yeah, thank you so much for that question.

Like I said, we've been working very closely with our partners at DOL. They have a lot more money than we do, and so --

(Laughter.)

DCS COMMISSIONER HOGUES: So we do -- they've helped out with virtual career fairs, career fairs marketing, doing videos to educate the public about what's going on in New York State.

And most recently, as Senator Jackson was referring to, our HELP program, our New York State HELP program is where we are really reducing the barriers to entry for individuals. Because of the post-pandemic job market, it has changed, and so agencies have told us, We are having difficulties hiring. And the current civil service structure right now does not lend to addressing those emergency needs.

ASSEMBLYMAN RA: Thank you, Commissioner.

ASSEMBLYMAN BRONSON: Thank you. We'll now turn to the Senate ranker, Senator Mike -- Weik, I'm sorry.

SENATOR WEIK: Thank you.

I just want to say welcome today. Thank you so much for your testimony.

My questions are mostly for Commissioner Hogues. Commissioner, it's nice to see you again.

DCS COMMISSIONER HOGUES: Good to see you.

SENATOR WEIK: I know the last time we

saw you was in October when we had our Civil Service Reform Hearing --

DCS COMMISSIONER HOGUES: Oh, yeah.

SENATOR WEIK: -- and I had asked you -- we talked about the difficulties municipal airports are having, including one in my district, the Long Island MacArthur Airport.

And the problem they're having is with hiring and promoting under the Civil Service Law. I was encouraged by your awareness of the issue and openness to discuss it with the Aviation Management Association.

I'm just wondering, can you provide any updates? Can we expect any action at the department level, or do you think this is going to need a legislative response?

DCS COMMISSIONER HOGUES: So -- and thank you for that question and the follow-up.

So we have been in conversation with not only them; we've had conversation with Syracuse Airport. They reached out to us originally to start the conversation on the

issues that they were having.

And so we are waiting on specific feedback on issues that are happening across the association. And so our team is working directly with them. And once we get that feedback we will provide suggestions to alleviate some of the issues that they're having. Some is the timing of tests that may have not been made available; some is other stuff.

And so we are excited to have this dialogue, and we welcome it. So whenever there are issues like this we want to get in front of it and have those conversations to see what we are able to do.

And so hopefully in the next week or so we will hear back from them about the specific issues, and we will be able to address them and look at ways for --

SENATOR WEIK: That's great, thank you, because that's an important issue for me and I'm very interested in seeing it resolved. So I'll be following up with you, if you don't mind.

To get to the memo that Assemblyman Ra had been speaking about, I had questions as well. So we're looking at some of the barriers with allowing agencies or employing individuals like the illegal migrants. Some of the barriers include verifying their educational attainment -- and this was in that memo -- limited English proficiency, verifying their perspective employment outside the United States, of course checking to see if they had a criminal record.

What actions are you going to be taking to be able to verify all of that?

DCS COMMISSIONER HOGUES: And so the reduction in the qualifications answer allowed that. And agencies have their own checks and balances in place as well when they're going through and vetting individuals to be able to make sure that they are fit for the titles or job responsibilities that they're doing.

As we mentioned, the areas of most of these are in the labor market, and so us and the agencies will continue to monitor that

closely. It also talks about a lot of the individuals or some of the individuals would be working with others under direct supervision constantly. And so we will continue to monitor that, along with DOL and agencies to make sure we are doing our due diligence.

SENATOR WEIK: And so I am concerned about lowering our standards like that. And of course you mentioned earlier that lowering those standards is across -- it's including existing New Yorkers who are looking to obtain those jobs as well.

What are some of those titles, those hard-to-recruit titles?

DCS COMMISSIONER HOGUES: You would ask that. And I had it in front of me, and I apologize, I don't have it right now.

But once again, it's no different from our traineeships and apprenticeships where individuals are seeking to --

SENATOR WEIK: Well, we're just concerned because if they're titles like law enforcement or that --

DCS COMMISSIONER HOGUES: No. No. No.

SENATOR WEIK: -- or that kind of thing, we want to make sure we're not lowering our standards --

(Overtalk.)

DCS COMMISSIONER HOGUES: No, no, no, no. It's not those titles.

Like I said, most of them are in the labor market.

SENATOR WEIK: Why do you think some of these titles are so hard to recruit? Why are we having so many difficulties?

DCS COMMISSIONER HOGUES: So it is clerical administrative support, engineering support, equipment service and repair, facilities operators, food service and human services. And so a lot of those jobs, quite frankly people just aren't interested in filling. They're not really that desirable. They -- I mean, it's a tough time.

SENATOR WEIK: In my previous title, the -- I mean, clerical support, that probably had the most candidates who took

those tests, but the income level is so low and the steps increases are so low. Do you think that might be the problem with why they're so tough to fill?

DCS COMMISSIONER HOGUES: So it could be. And once again, I'm happy that we got approved to do our compensation -- our full compensation study to help inform us on that.

SENATOR WEIK: I don't have enough time to ask more questions, I'm sorry.

(Laughter.)

DCS COMMISSIONER HOGUES: We can follow up, obviously. I'm always available.

SENATOR WEIK: Thank you.

DCS COMMISSIONER HOGUES: Thank you.

Assembly.

ASSEMBLYMAN BRONSON: Yes, next we'll go with Chair Stacey Pheffer Amato.

ASSEMBLYWOMAN PHEFFER AMATO: Okay, good afternoon.

Commissioner Hogues, you outlined in your testimony that our state workforce has decreased by nearly 10 percent. What was the cause of that, or what do you feel the cause

of that is?

DCS COMMISSIONER HOGUES: So obviously we had a hiring freeze for quite some time. And then, more recently, everyone calls it the Great Resignation after -- or during the COVID-19 pandemic.

And so with Governor Hochul removing the hiring freeze, it has given us that opportunity to staff up our agencies that critically need them. And so we are excited that we saw a movement from 2023 to 2024 of adding roughly 4800. Right? So we have individuals that attrit, but individuals that we hire. So overall, we have increased our workforce.

And so when I came here before, I was telling you that we had over 12,500 individuals -- opportunities in New York State government. Now we're in the 10,000 range of positions that are available.

ASSEMBLYWOMAN PHEFFER AMATO: So that's the current how many vacant jobs there are throughout New York State?

DCS COMMISSIONER HOGUES: Roughly.

Yup, roughly.

ASSEMBLYWOMAN PHEFFER AMATO: Twelve thousand?

DCS COMMISSIONER HOGUES: No. It was 12,500 when I testified last year, and now we're in that --

ASSEMBLYWOMAN PHEFFER AMATO: How many vacant jobs are there now in New York State?

DCS COMMISSIONER HOGUES: We're in that 10,000 range.

ASSEMBLYWOMAN PHEFFER AMATO: Ten thousand.

DCS COMMISSIONER HOGUES: We're making a dent.

ASSEMBLYWOMAN PHEFFER AMATO: Does that include New York City?

DCS COMMISSIONER HOGUES: No, so this is New York State. New York State government workforce.

ASSEMBLYWOMAN PHEFFER AMATO: New York City has their own. Okay, great.

Okay. So in the Executive Budget it recommends 20,229 new hires for fiscal '24-'25. That's what the Executive put in.

Which positions has the state found to be the most difficult to recruit and retain employees?

DCS COMMISSIONER HOGUES: I mean, it's an interesting question. We know a lot of times in DOCCS, in law enforcement, there has been recruitment difficulties. I mean, that has been seen nationwide.

But once again, because of the pandemic has shifted and individuals having opportunities with the private sector to have 100 percent remote work, work from home, we are dealing with those types of issues.

And so we're also looking at how do we educate individuals about the opportunities that are available in the public workforce. And so last year we were awarded the opportunity to do a marketing campaign, which would be kicking off in second quarter of this year, to really educate people about the opportunities that are available, how to get into civil service to demystify the notion that you have to know somebody who knows somebody who knows somebody to get in, and

then also talk about the great opportunities that are available.

ASSEMBLYWOMAN PHEFFER AMATO: And then to retain the employees, what do you think -- you know, there are a lot of folks that don't want to stay long. You know, they're not staying -- what's the average? You said the average --

DCS COMMISSIONER HOGUES: About 12 years.

So average age of entry into state government is around 36 years of age. The average age of our current employee or workforce is a little bit under 46, about 45.9 years of age.

ASSEMBLYWOMAN PHEFFER AMATO: So a little old, you're saying, huh.

(Laughter.)

DCS COMMISSIONER HOGUES: I'm not saying -- you did not hear me say that on this test.

DOL COMMISSIONER REARDON: Smart man.

DCS COMMISSIONER HOGUES: No, of course.

And -- so yeah. So we are retaining folks, but it looks like we are -- we have traditionally attracted individuals that have had a career experience somewhere else and come to state government.

ASSEMBLYWOMAN PHEFFER AMATO: I'm excited to hear about the marketing campaign. I do think it's also a secret that everyone doesn't know of our benefits and what those packages look like. And I was going to say that to the director, you know, that piggybacks off that, about letting people know our benefits.

Like in my office, of my team, I had to tell everyone about deferred compensation. You know, there's not this great memo that comes out and you get a package, like any new job, and you're all excited and everyone goes home. And I said, Did everyone sign up for deferred comp? And they all looked and blinked, you know. Now everyone on Team Stacey is in deferred comp.

But how do we get that out there? Because those are other benefits and

abilities that we have.

GORE DIRECTOR VOLFORTE: I agree. I think we don't do a good enough job advertising how good a package of benefits we have, in addition to just conventional things like health insurance and salary.

So I think as part of what we do, like we're going to do this year with the Public Service Loan Program, we probably need to take a look at how we advertise for ourself, not only to prospective people but to current employees, and just remind them of benefits that they need to sign up for, pre-tax benefits and the like, as well.

ASSEMBLYWOMAN PHEFFER AMATO: Right. And probably -- to support my colleague Senator Jackson, if we just can get rid of Tier 6, it probably would be an opportunity for --

(Laughter.)

ASSEMBLYWOMAN PHEFFER AMATO: You know, I think that's hanging over everyone. So it is something that we have to address.

DCS COMMISSIONER HOGUES: But I also

think -- I also look at how we on-board individuals. We have to be more insightful on how we do that, and how we educate individuals about the whole process of coming into state government. So I think we can continue to work together to look at how we do that and standardize it across the state.

ASSEMBLYWOMAN PHEFFER AMATO: I'm excited. I think that with the opening of a lot of opportunities and hiring more people in all our agencies, that you've really just moved us forward. So I want to thank you for that.

Just changing topics. Director, you mentioned about the new paternity leave policies to bond with newborns and things like -- you know, things like that, listen to me. With your children, I get that. But have you heard the discussion or the conversation about unfortunately people that have late-term miscarriages and that we're looking for leave for those folks because if you don't have a live birth, you're expected to be -- you know, if that happens on Friday,

you're supposed to be back at work on Monday.

So has there been any conversation, have you heard of that? I know we're talking about it in the Assembly. But have you heard about that? And what can we do about that?

GORE DIRECTOR VOLFORTE: So -- aware of the issue. The negotiated benefits we're looking at are for live birth, adoption and foster care, admittedly.

For many employees, they would be able to access their normal leave benefits to deal with that -- personal leave, sick leave, vacation leave, for that. But the paid parental leave is at least modeled in part on the parental portions of the federal FMLA benefit.

But I'm aware of the issue that occurs.

ASSEMBLYWOMAN PHEFFER AMATO: Yeah, I was reached out to by my constituents, so I'd really urge a look at that. Because, you know, again, it's what affects women in the workforce. And, you know, everyone hopes for a live birth, but that doesn't always happen.

And I think as a state we have to have compassion in that space.

To change the topic, to move back on here, Commissioner, again, the HELP program is very impressive. And you've given us over 6,000 new employees, you said. Can you tell us what titles and where the jobs are? And can you just, you know, tell everyone where we were hurting for those current employees where this opened up and gave the opportunities to many?

DCS COMMISSIONER HOGUES: And so I misspoke, and I apologize. I actually -- when we look at state and local, we've hired over 7,000 individuals. So 6,000 on the state level, and over a thousand on the local level.

ASSEMBLYWOMAN PHEFFER AMATO: Great.

DCS COMMISSIONER HOGUES: And this was initiated by actually the commissioner from OTDA. He came to me and said, Hey, we are struggling to fill our direct-care titles and we need help, basically. And so our teams got together and started discussing what we

can do. And with our backlog from COVID, we just couldn't handle it through our normal civil service process.

And so we were able to come up with this program to, no pun intended, to help our direct-care agencies -- so DOH, OMH, OPWDD, OTDA -- to really up-staff their workforce.

And so other agencies heard about it and said, Hey, what about us, right? And so we had to finish this initial phase of it. And like I said in my testimony, they continue to face hiring issues and challenges as well. And it's important that we're able to support and staff up. And we talked about what happens when we properly staff agencies; you'll be amazed at the work they can do and what comes of it.

And so when I first got here, that was one of the first things Governor Hochul said to me: We have all these vacancies, what are you going to do about it? And so I said, okay, welcome, first day, thank you. And we went to work on figuring out how do we do this. And so we had to -- we had to change

up some things and create some programs and things that -- that operate different from how we typically operate.

But at the same time, I want to emphasize that we are dedicated to merit and fitness. And as we look at this HELP program, behind the scenes we are working diligently to improve the efficiency and effectiveness and nimbleness of our civil service system. Because right now we're not competitive. And so if we want to be competitive in the future, it's going to be a technology-type approach that will get us to that point.

And so that is what my team is really focused on. And the additional individuals in our agency are helping us to address all these things, and so HELP is just one of them.

ASSEMBLYWOMAN PHEFFER AMATO: That was actually one of my questions.

But going along with the Senator, just take the lines of how HELP is so helpful. I love that we named it that. In the airports,

where I've heard that myself in my office, the feedback that they're just struggling to get employees there. Is this something we can like focus on, micro-focus, to really figure out how to get more people into those sort of hard-to-fill positions and make ourselves competitive?

DCS COMMISSIONER HOGUES: Yeah. And so once again, the HELP program, the version for the localities is going before the commission next month. And as we work with the different municipalities and localities and civil service agencies across the state, we'll be able to talk about which titles are appropriate.

And so the other thing I want to mention is on the local level, municipalities have the choice of opting in or not. And so I want to make that distinction between the state and local.

ASSEMBLYWOMAN PHEFFER AMATO: Great. Thank you very much.

CHAIRWOMAN KRUEGER: Thank you.

The next questioner will be

Senator Jack Martins, ranker, for five minutes.

SENATOR MARTINS: Good afternoon.

I guess the first question -- Commissioner Reardon, good to see you again. The issue I think we spoke about last year at the hearings, we're back again. I hear from our building trades across the state the difficulties they have with enforcing prevailing wage laws, certified payroll requirements and, you know, the obstacles they have.

And part of the difficulty has to do with the Department of Labor not, frankly, having either the wherewithal to do it or hasn't shown an interest in enforcing it. So they've gone to local district attorneys and asked the local district attorneys for help. And, you know, I'm asking -- and I asked again last year -- what can we do, and is there a requirement, and would you suggest that we try and allocate funds in the budget for you so that you can have personnel on staff, either centrally or regionally, that

can assist with enforcement?

It's incredibly important that we have the ability to enforce our prevailing wage laws in this state. Certainly if people are underpaying their employees, that is a crime that we should take seriously. And our building trades are crying for help.

What do we do? And should we be allocating more monies to your department in order to pay for that?

DOL COMMISSIONER REARDON: So thank you for the question.

As I said earlier, it's not a question of money, it's a question of talent. We are -- our conversation is how do we get more skilled investigators and inspectors into the department. We're working very hard at that.

But I will say, after our conversation last year, I reached out to the building trades and I asked them what is -- you know, asked them directly, what is your problem with this? And we think that from their responses that the issue is overstated.

We have a very strong public works arm

of the DOL, and they go out all the time -- and it's one of the groups that does do proactive visits to worksites, and they talk to the workers. And they pull the records, and I sign those orders when they have broken the law, frankly. I take wage theft very seriously, whether it's public money or private money. And they take their jobs very seriously.

You know, our problem is finding more skilled people to become inspectors and investigators, and we're working on that. You've heard the conversation with my friend Tim Hogues here. It's not easy. And these are people who have to have extensive training.

But they are out every day, and I do sign those orders, and we do return money. They returned -- I don't have the figure right in front of me. It's an incredible amount. And I'll send it to your office.

SENATOR MARTINS: Thank you.

DOL COMMISSIONER REARDON: But I have had that conversation with the building

trades across the state. And they said they're always concerned, they're always concerned about non-union construction employers cheating their workers. But they don't have a lack of faith in my public works people.

SENATOR MARTINS: Well, I appreciate that perspective. I think we've heard a challenge to the building trades. And I'm happy to join them in meeting with you.

DOL COMMISSIONER REARDON: Sure.

SENATOR MARTINS: But, you know, one thing I have heard is that they're willing to serve as your investigators as well. They and their locals have people on the ground actually on many of these job sites, and they're able to provide you with that information.

DOL COMMISSIONER REARDON: And they do provide it.

SENATOR MARTINS: And they want to cooperate with you on that, and they've had difficulty.

So there is a disconnect here,

Commissioner. And, you know, let's just say that if they are willing to do that and we are having the same conversations with the same people, we're getting different answers. And we will follow up on that, because wage theft in this state should be certainly a priority for all of us.

DOL COMMISSIONER REARDON: We depend on our friends in the labor world to give us tips every day, and we follow up on them. So I'd be surprised if we weren't.

But I'm happy to have the conversation.

SENATOR MARTINS: Wonderful.

Again, I'm happy to do it. We will have those conversations.

DOL COMMISSIONER REARDON: Sure.

SENATOR MARTINS: But different experiences and certainly different conversations between us.

Unemployment Insurance Fund, a $7.2 billion deficit. You know, there is -- is there any money in this budget to help pay down that? Is there any intention of

recommending paying down from reserves and taking part of the burden off of our small businesses community?

DOL COMMISSIONER REARDON: That's not in my purview. Right now the only way I can replenish the trust fund is with FUTA and the IAS and the money that the employers pay in every year.

SENATOR MARTINS: Right. And there's $250 in interest that's due annually. Do we have a proposal or would you support using state funds to pay for that $250 -- million dollars, so we're not placing that burden on our local businesses?

DOL COMMISSIONER REARDON: Well, the IAS came from the UI reform bill that you all supported in 2014, and that's when the IAS went into effect.

If you promote a bill and pass it and the Governor signs it, I will happily enforce it.

SENATOR MARTINS: Thank you, Commissioner.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

ASSEMBLYMAN BRONSON: Thank you.

Next up will be Assemblymember DeStefan-o. DeStefano.

ASSEMBLYMAN DeSTEFANO: Thank you, Chair Bronson.

Well, we've been all over the place, and it kind of leaves me left in the wilderness here as to which topic do I want to tackle.

But the first thing I'd like to ask -- I believe it would be of the commissioner of Labor -- what qualifies someone for seeking employment? Like I remember when I was younger and I went to go get a job, I had to produce all kinds of documentation to get a Social Security card, whatever I needed to do.

What do the migrant seekers and all -- what do they have to do to get these jobs?

DOL COMMISSIONER REARDON: So they have to -- anybody who's legally authorized to work in the State of New York has to have either been born here, or if they're not born

here, they have to have working papers.

And the people that we are working with, the asylum seekers, one of the things we're doing is encouraging them to fill out the federal paperwork for asylum and then fill out the paperwork for -- they're called EADs, is the Emergency Work Authorization. And once they have that, they get a number and then we can connect them with employers. That's federal law.

ASSEMBLYMAN DeSTEFANO: Okay. So if -- is there a priority given to an asylum seeker or migrant looking for a job over a New York citizen or anything like that? Is there --

DOL COMMISSIONER REARDON: No.

ASSEMBLYMAN DeSTEFANO: So it's based on merit? It's based on, you know, when they came and applied?

DOL COMMISSIONER REARDON: Mm-hmm.

ASSEMBLYMAN DeSTEFANO: I'm just not -- I'm not getting it, because I think that there's plenty of people in our state that are looking for employment.

And the other fear that comes from me being -- on my union background, is like are we going to hire people at a lower rate of pay to get rid of the higher-pay work-getters? You know what I'm saying?

DOL COMMISSIONER REARDON: That would certainly not be something I'm doing.

ASSEMBLYMAN DeSTEFANO: No, I understand that. But I -- you know, being I've been in the industry for a long time, I've seen where that's actually taking place, where we want to get rid of the higher-paid people and bring in lower-paid people, because obviously in an economy saving money and those types of issues come into play when we're hiring people that would make less money coming into an entry-level position.

Getting into the legal authority, what legal authority or statutes empower the state to create transitional titles with adjusted requirements for migrants and asylum seekers in the proposed entry level?

DOL COMMISSIONER REARDON: That would be my friend Mr. Hogues.

DCS COMMISSIONER HOGUES: Yeah. Yeah. No worries about that. So this is -- once again, this is a common practice through our Classification & Compensation Unit, that is able to create these.

And so it's basically, once again -- and I sound like a broken record -- it's similar to our traineeships that we've had around forever, where we have lesser qualifications for individuals to get in the door that will lead to a pathway to a more permanent-type position and career pathway.

So it's no different.

ASSEMBLYMAN DeSTEFANO: Okay.

DCS COMMISSIONER HOGUES: And to your other point of -- and so we've heard that conversation about using these positions to undercut higher-paying positions.

Once again, this is a pathway for all New Yorkers, so not just the migrants -- for individuals looking to enter into state government, they can utilize this pathway. We get them the skills they need, they get whatever paperwork or training or on the job

training they need, and then this leads them once again to be able to move up through to the regular status.

ASSEMBLYMAN DeSTEFANO: Okay. How does the state intend to navigate any potential legal challenges or opposition that may arise concerning the proposed changes to job requirements and creation of transitional titles?

DCS COMMISSIONER HOGUES: So we've never heard any legal challenges to traineeships or apprenticeships, and so I doubt we would hear it here.

ASSEMBLYMAN DeSTEFANO: What legal safeguards or mechanisms are being put in place to ensure that the temporary employment opportunities are offered in compliance with immigration laws and regulations governing the legal work status of migrants or asylum seekers?

DCS COMMISSIONER HOGUES: So once again, as my partner said, that they have to have their paperwork in order to be eligible to work here, even -- even to apply.

ASSEMBLYMAN DeSTEFANO: And one last question for Commissioner Reardon.

We started this way back in COVID days with the Department of Labor, the antiquated system that we had. I remember being on a Zoom call with you and addressing those issues.

The monies that are owed that we haven't paid, there's like 31 states that use the Coronavirus Act -- CARES and the Affordable -- where they gave money -- do you think it was proper that we never paid back any of that money and we have a ton of money outstanding that needs to get paid back?

DOL COMMISSIONER REARDON: I am not in charge of the CARES money, so I really can't have an opinion about it.

ASSEMBLYMAN DeSTEFANO: I'm just asking an opinion --

DOL COMMISSIONER REARDON: You know, other states do what they do. I think what we have done is appropriate for New York State.

And I want to go back to something you

said about the people in your district or in your area who need work. Our Career Centers are open to everyone entitled to work in the State of New York. And if you have people in your district who need a job, please send them to us.

ASSEMBLYMAN DeSTEFANO: I will. Thank you very much. Appreciate it.

CHAIRWOMAN KRUEGER: Thank you very much.

Senator Borrello.

SENATOR BORRELLO: Thank you, Madam Chair.

Commissioner Reardon, I want to follow up and talk a little bit about 191. I think you correctly presented this as really a boon for lawyers more than anything else. But part of that's because the definition of what a manual worker is isn't defined. You've got thousands upon thousands of workers who have filed lawsuits now that were paid every penny. And now we're going to be collecting damages, and it's going to be a huge problem.

You know, I can tell you myself, in my businesses we pay our people every week. But you have those that weren't aware -- and by the way, most small businesses use payroll companies, and the payroll companies were not aware. But yet now we are looking at businesses that are going out of business because of this 191 lawsuit issue.

I think the Department of Labor could at least help out with trying to define more clearly what a manual worker actually is.

DOL COMMISSIONER REARDON: I could look into that.

I think the recommendation to take away the incentive for these cases is really the best way to handle this. But we can certainly look into it.

SENATOR BORRELLO: So in the Governor's budget she's doing exactly that, correct, to take away the financial incentive to bring these lawsuits.

I mean, I heard a story about some Dairy Queen owners on Long Island. You know, they're going to go out of business --

millions of dollars in fines -- and the individual employees are going to get less than a thousand dollars apiece.

DOL COMMISSIONER REARDON: Yeah, it's not about the -- it's not about the employees. It's about the lawyers.

SENATOR BORRELLO: Yeah, I agree with you there 100 percent.

You know, that's -- so a definition of manual worker that hopefully could be put into place even in this budget process, perhaps in the Governor's 30-day amendments, that would allow us essentially to eliminate some of these frivolous lawsuits that have been brought by people that clearly are just looking for a big payday but at the expense of particularly small businesses, would be the way to go.

DOL COMMISSIONER REARDON: Thank you.

SENATOR BORRELLO: You know, it was brought up before about the Unemployment Insurance Fund. NFIB, on the previous panel, brought this up. And I realize, you know, that you do not have the ability to earmark

those funds.

But on top of that, I think it's important to understand that this has been a tremendous challenge. So you certainly have the ability to make a recommendation to the Governor. She trusts you. You know, the Governor's basically saying, We've got all this money in our reserves, but yet it's like -- you know, like your kid saying to you, I charged up your credit cards to the max, but look at the money I have in my savings account, Mom.

What about making a recommendation that we actually do indeed use some of these reserves the Governor's bragging about to pay down this Unemployment Insurance debt?

DOL COMMISSIONER REARDON: Thank you.

CHAIRWOMAN KRUEGER: That's it?

Assembly.

ASSEMBLYMAN BRONSON: Next up will be Assemblymember Durso.

ASSEMBLYMAN DURSO: Thank you, Chair. I appreciate it.

Thank you, everybody, for coming here

to testify.

Commissioner Reardon, just a quick follow-up from what Senator Martins was talking about.

I obviously am hearing the same things, especially on Long Island with obviously the disconnect. Some of them are saying that the enforcement of, you know, the wage-theft laws and the investigators basically aren't coming out to investigate.

So do you have numbers of how many investigators we have that are set for Long Island? Are they specifically set for Long Island?

DOL COMMISSIONER REARDON: Sure. Yup, I do. I don't have them right here, but I can get them for you.

ASSEMBLYMAN DURSO: Okay. I think it's nine. And that's --

DOL COMMISSIONER REARDON: No, no. Oh, no. There are definitely inspectors for public work on Long Island.

ASSEMBLYMAN DURSO: No, no, no, I said I think there's nine --

DOL COMMISSIONER REARDON: Nine. Oh, I thought you said none.

ASSEMBLYMAN DURSO: No. No, no, I didn't say that.

But so if there -- I apologize if it came out that way. That would have been a little rough, I'm sorry.

But again, I am hearing the same things that the Senator's hearing. And again, we're addressing the same thing from last year. So has there been anything done specifically to address that since last year? Because again, we're still hearing the same issues going forward.

And some of those unions and contractors are doing self-investigations, and the DAs both in Nassau and Suffolk have been great about investigating wage theft.

But what is the Department of Labor doing specifically?

DOL COMMISSIONER REARDON: So we take those all very seriously and we look into -- whenever they give us tips, we follow up on them. We do proactively visit worksites and

talk to the workers to see if there's -- you know, if there's an indication that they're being underpaid.

It is -- to be frank, it is a constant concern that, you know, there are -- there are employers who cheat their workers. And we try every way that we can to keep that from happening.

I -- you know, we have a new director of public work. He's new, about a year and a half, and he's been doing a great job. We're doing a lot of work within the entire agency -- reorganizing units, training them, giving them better tools, making sure that we're using the resources we have as effectively and efficiently as we can.

For those unions who are concerned, please don't stop giving us the tips. We actually do use them and we do pursue those cases.

But it is -- it is a problem. The construction industry is one of the industries where it is a big problem, because often there are contractors who pay in cash.

They don't have records. They avoid the law, and it's very hard. But we do pursue them. We work very much with workers, trying to say, Please, work on the books, because you are not protected if you work off the books.

We will pursue the case, but it is much harder to get the records that we need, frankly.

ASSEMBLYMAN DURSO: Okay, I appreciate that. And again, you know, making that connection or figuring out what the disconnect is between those contractors, the trade unions and your office, I'd love to be on that as well --

DOL COMMISSIONER REARDON: Sure.

ASSEMBLYMAN DURSO: -- just so that everybody could be on the same page and we can get it fixed.

DOL COMMISSIONER REARDON: As you know, I work very closely with the building and construction trades, and I'm happy to sit down and talk about it.

ASSEMBLYMAN DURSO: Thank you so much.

DOL COMMISSIONER REARDON: Mm-hmm.

CHAIRWOMAN KRUEGER: (Mic off; inaudible.)

SENATOR MATTERA: Thank you, Chair. I appreciate it, and thank everybody on the panel for your testimony.

You know, I just want to thank my colleagues also for bringing that up, because it's very important. I'm not going to elaborate on that.

But one thing that's important -- Commissioner, what is the unemployment rate right now?

DOL COMMISSIONER REARDON: The unemployment right now is -- in the state it's below 4, I think.

SENATOR MATTERA: It's a little higher than that.

And what does that equate to? How many people right now file for unemployment right now?

DOL COMMISSIONER REARDON: If you want to give me a minute --

SENATOR MATTERA: I can answer the question for you.

DOL COMMISSIONER REARDON: -- I have it here, but --

SENATOR MATTERA: It's 215,000 people.

DOL COMMISSIONER REARDON: Probably.

SENATOR MATTERA: What are we doing to get these 215,000 people back to work to go -- instead of these migrants that came here. But guess what, because I'm not going to get into the state being a sanctuary state and a sanctuary city -- what are we doing to get these 214,000 people to get educated, reeducated for jobs, instead of the migrant crisis disaster that has happened with New York State? And you know what, I'm asking you, as the commissioner of Labor.

DOL COMMISSIONER REARDON: Mm-hmm. So we work every day with people who are on the unemployment insurance system. They are required to register for job search and support at the local Career Centers. We make all of those services available to all of them, and we make sure that they follow up on the appointments that they should have.

Anybody who is authorized to work in

the State of New York gets our services. And I really want people to understand the fact that because we answered the call from the Governor to help the asylum-seekers who have come here and have authorization to work find jobs does not mean that we are not helping other people in your district or anywhere else.

I want everybody to have a good career path. And that's what we do every day.

SENATOR MATTERA: We need to do a better job. We shouldn't have 4.5 percent unemployment, Commissioner. And you know what? We need to do a better job to get all these people back out to work. Our citizens, residents of New York State. This is a total disaster that we are not going out of our way with this.

The apprenticeship programs, there's so many bogus programs that are out there. A lot. Please, don't -- I'm asking you, what are we doing about these bogus programs that are not graduating anybody?

DOL COMMISSIONER REARDON: Our

registered -- if you're talking about registered apprenticeships --

SENATOR MATTERA: Yes, registered apprenticeship programs.

DOL COMMISSIONER REARDON: Our registered apprenticeships are overseen by their ATRs in the agency. They are monitored twice a year. They have to meet standards. And we de-register programs every year who do not meet the standards.

We're going to put those deregistrations --

SENATOR MATTERA: I know. There's an apprenticeship program called the Merit Alliance. It is a totally bogus program that -- there it is, I see a beautiful letter from the Governor for doing such a great job. Doing a great job doing what?

DOL COMMISSIONER REARDON: They have --

SENATOR MATTERA: What they do is they exploit their workers. And what they're doing is they're using names. That's all they're using. The Merit Alliance uses names

so they can get on bids, so they can bid on work. I can't believe that three minutes went that fast.

(Laughter.)

CHAIRWOMAN KRUEGER: Thank you.

Assemblymember.

ASSEMBLYMAN BRONSON: Yes, next we'll go to Assemblymember Jones.

ASSEMBLYMAN JONES: Good afternoon -- good evening, whatever it is. Thank you for being here.

My question is -- my questions are with Commissioner Hogues. I will reiterate what I said last year. It appears that, you know, we are moving forward on civil service. It's, as last year we said, an antiquated, sometimes broken system, quite honestly.

DCS COMMISSIONER HOGUES: We agree.

ASSEMBLYMAN JONES: And everyone has mentioned here it's a changing world, changing work environment. We need to stop putting up barriers to get our people into state employment and into local employment.

HELPS, I like what I'm hearing about

it. But we need to put it into the local level, counties. I have counties calling me every day about the barriers.

Obviously I won't talk about Tier 6 --

(Laughter.)

ASSEMBLYMAN JONES: -- not in your purview. But there are barriers with civil service. And at one point it was put in I'm sure worked out great, but our changing world calls for us to take those barriers down.

Is the HELPS program that's going to be implemented into the counties going to have any -- what are the guardrails there? What are they -- is it the same as what the state is doing?

DCS COMMISSIONER HOGUES: Correct. And so I want to be clear that HELPS has been at the local level for the direct care --

ASSEMBLYMAN JONES: But you have to meet certain requirements? Or is it just local --

DCS COMMISSIONER HOGUES: So no, so HELPS has been -- so after we established the

HELP program on the state level, we did the same thing on the local level for the direct care, so the health and safety-type titles. And so those are the thousand-plus jobs that they have utilized.

And so now that we're expanding it, we're doing the same thing for --

ASSEMBLYMAN JONES: Are we expanding it for everyone? I know HELPS, the acronym. But everyone needs help here. I have departments coming to me with 30, 40 percent vacancy rates. You know what they say? Civil Service, by the time you sign up for the test --

DCS COMMISSIONER HOGUES: Yup. Yup.

ASSEMBLYMAN JONES: I have figures right here. I had -- I had my dispatchers in today: Nine to 10 months before they can actually hire somebody. In this competitive job market that we're in right now, that's just unacceptable.

DCS COMMISSIONER HOGUES: So that's extreme. But when I first got here I asked the same thing. I pulled back the curtain

and said, Why does it take so long for us to be able to hire an individual --

ASSEMBLYMAN JONES: What about using more technology in there?

DCS COMMISSIONER HOGUES: And that is the approach that we're talking about in this parallel path. As we utilize the HELP program to staff the emergency positions and the vacancies in this employment gap, we're taking that time to reimagine our civil service delivery system and that whole -- from advertising the position to the time an individual gets to take the test to the time they enter in the --

ASSEMBLYMAN JONES: Provisional.

DCS COMMISSIONER HOGUES: No. No.

ASSEMBLYMAN JONES: Big issue, provisional, with our localities.

DCS COMMISSIONER HOGUES: And so HELPS helps -- HELPS helps with that as well.

ASSEMBLYMAN JONES: Okay. I don't want to be here next year talking about this same thing. I hope these -- I hope we make progress in this.

DCS COMMISSIONER HOGUES: Thank you.

And anywhere you need me to come, we'll be there to talk to constituents.

ASSEMBLYMAN JONES: Thank you very much.

CHAIRWOMAN KRUEGER: Thank you.

Hi, I think I'm the last Senator -- with the exception of a follow-up question from Senator Ramos after we get back and forth.

So going back to the -- I'm sorry, first Commissioner Reardon, the wage-theft issues.

A bill that many of us worked very hard on, which got negotiated and weakened before the Governor agreed to it, was the LLC database of who in fact is behind all these businesses in New York. And it does appear that when we get some significant complaints about wage theft in New York City or in my district -- several recently, even this week -- it's companies not paying their workers but hiding behind fake LLC companies -- or LLCs you can't track.

So we wanted the ability to have on the database the LLCs for everyone to look at. And under the negotiated changes, it will only be certain people in law enforcement. And yet for you, when you are trying to track down wage theft, it seems to me that it's pretty critical that Department of Labor can work with the violated workers to figure out who the hell they actually were working for and having their wages withheld from them.

So will you have access? Do you know about this at all?

DOL COMMISSIONER REARDON: I actually don't know. And that's a really good question. Let me find out.

I know that it was changed in the negotiations, but I don't know where it ended up, so -- I'll get you an answer. It's a good question.

CHAIRWOMAN KRUEGER: Because I think it won't go into effect for two years, maybe. But I think it's really a critical tool for your agency --

DOL COMMISSIONER REARDON: I agree.

CHAIRWOMAN KRUEGER: -- to be able to figure out. Because this is a constant struggle for us. We have companies even who have drawn down tax incentives from Economic Development or through IDAs that we then later learn actually were violating all these labor laws and not paying their workers.

And then when you try to track them down and figure out who the heck it is that anybody was working for, you find it's one company that's the LLC who supposedly is the owner of the property; it's another LLC who was subcontracted to, to hire everybody; and it was another LLC that picked it all up when somebody started to ask questions.

So I think it's really crucial to help you and your people get to the bottom of things quickly, that we actually make sure that you have access.

DOL COMMISSIONER REARDON: Thank you.

So we do civil law enforcement. And I will check into it.

CHAIRWOMAN KRUEGER: Okay, thank you.

And then you referenced before that if we're doing anything like we did them 10 years ago we're probably not doing it right. So I know things have gotten much better since the pandemic. But we still get calls every day that people can't get the phones answered when they call DOL, and they have questions or they have problems.

What do we need to do?

DOL COMMISSIONER REARDON: I know.

So very complicated. We've talked about this before. The surprising fact is the volume of calls coming into the UI call center are three times as high as they were at the same unemployment level before the pandemic. So clearly something has changed in the public.

And I have talked with other agency heads -- I even talked to my doctor's office. They all said the same thing. The public has a very different expectation of service delivery, partly because they could order everything online during the pandemic. And

it has really changed the way they expect delivery.

So we are adapting -- you know, I can't just yell at them and say don't call as much, because that's not productive. But it is a problem, because it is three times as high and we struggle to do the -- to catch them all.

In July our new CCAI phone system went into effect, and we now have virtual agents that can answer many questions, including authenticated questions for authenticated specific people. That system alone has answered five and a half million questions since the end of last July. So it is a big help. Obviously it has not erased the problem, but it is a large help. The chatbot on the site, Perkins, now is communicating in 14 languages. And it can answer not only general questions about, you know, how long do I wait for a check and all that kind of stuff, but if you authenticate your claim with your number, then it can answer certain questions in specific and you won't have to

work with an agent.

The new system will alleviate all of that. The new system goes online later this year. It will be soup-to-nuts a brand-new system.

And let me just say about the new system, it's not just a lift-and-shift from the 1970s mainframe to a new cloud-based system. The 1970s mainframe had -- it's a Frankenstein, literally. It has over 270 minisystems that I call the barnacles that are attached to this system that have kept it running all these years. So when our developer came in, they not only had to develop a system for the mainframe, they had to untangle the Frankenstein attached to it, code all of that, and then move it into the cloud.

So we are close. It is a day that I will absolutely drink champagne when it goes live. I urge you to join me. But it will really be an amazing transformation of this system. And it will alleviate the need for people to talk to an agent as much. They

will be able to do their claim online. There will not be that complicated, you know, phone path that we used to have.

It will aggregate all of our data into one data warehouse so we're not searching through the mainframe and the Frankenstein system to get the information; it's all in one place. It goes from the very first issue of the first claim all the way through the last appeal.

This is the largest UI system rebuild in the country. And when it is up, we are told by our friends in Washington they believe it will be the gold system -- gold standard for the country.

But it has been, as you know, a very difficult job. I am very proud of the men and women who have done this work. But it is very difficult. And I urge you to join me the day it goes live.

CHAIRWOMAN KRUEGER: We'll look forward to that.

DOL COMMISSIONER REARDON: Me too.

CHAIRWOMAN KRUEGER: I don't drink,

but I'll be happy to stand there with you.

DOL COMMISSIONER REARDON: Yes. Whatever you drink, club soda -- I don't care.

(Laughter.)

CHAIRWOMAN KRUEGER: Thank you.

I'm going to turn it back over to the Assembly.

ASSEMBLYMAN BRONSON: Thank you.

We've been joined by Assemblymember Santabarbara.

And the next questioner will be Assemblymember Jacobson.

ASSEMBLYMAN JACOBSON: Thank you, Mr. Chair.

"Workforce development" now are the new cool buzzwords. But just because some entity says they do workforce development doesn't mean they do it. And I have -- so I think we need accountability in this, which is why I submitted a bill so that those receiving state funds would report once a year to the Department of Labor.

They would say how many people they

reached when they did their outreach, and it doesn't mean I did 300 people meaning that they went to a auditorium in a high school where all the kids were sleeping, no. They've got to have a phone number.

We want to know how many took the training, how many finished the training. And of those that finished, did they get jobs, and what is their status six, 12, 18, 24 months later.

And the problem is we have people that take the money and there's no results, and I don't know what's going on.

So I hope you would consider that.

DOL COMMISSIONER REARDON: Thank you.

You know, the workforce development is a sweet spot for me. I think it's a really important part of what we do. Being able to quantify workforce development is difficult for everybody in the country, for a lot of different reasons.

But your suggestions are good. All of our money is federal money, so it comes with federal regulations attached to it. But we

would certainly entertain --

ASSEMBLYMAN JACOBSON: I'm a -- I'm a peon, I only get three minutes.

So, you know, all I'm going to say is that if you believe in government to do good things, then we have to be more responsible to make sure things are being done.

DOL COMMISSIONER REARDON: Well, I thank the Governor for setting up the new Office of Workforce Data, which will actually give us a lot of muscle in that area.

ASSEMBLYMAN JACOBSON: Right.

The other thing is -- you know, one thing that you should reach out and do a collaboration with the Department of Education is on P-TECH. P-TECH is tremendous, right? They get a two-year degree at the end of high school. And of course they're provided transportation, they get paid internships. And in the Hudson Valley that I represent, they go to IBM, they go to GlobalFoundries.

When P-TECH started about 10, 12 years ago, we started -- we were the first in the

country. We have 60 now. Texas started two years after that; they have 900. So we've got to get our act together there.

And one other thing, when we do training, is that just because -- let's say this. We don't want to build a bridge to nowhere, and we don't want training that doesn't lead to a job.

DOL COMMISSIONER REARDON: Nope.

ASSEMBLYMAN JACOBSON: And what we need to do is make sure that we talk to the employers and ask them, What do you need? What skills do you need? And have them basically write the curriculum so that this training doesn't lead to nowhere.

DOL COMMISSIONER REARDON: Thank you.

ASSEMBLYMAN JACOBSON: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

And we have Chair Ramos for her three-minute follow-up.

SENATOR RAMOS: Thank you, Chair Krueger.

I wanted to bring up the topic of home-care workers, Commissioner. We gave

home-care workers a raise to address the home-care shortage, and this budget is proposing a cut to their wages. So I'll actually kind of talk about a little table I have here. In FY '23 we established their wage $19.09 in New York City. In FY '24, $21.09. And now in this proposed FY '25 budget, we're now down to $18.55 per hour.

So I guess I'm interested in what your analysis for that particular workforce is and whether this is actually going to help us address the workforce shortage that we have.

DOL COMMISSIONER REARDON: So that's interesting, I don't actually know about that -- that part of the budget because it's not us. But I certainly will look into it.

You know, we really appreciated the increase that was passed. And it's very, very important. It is a very tough job, as we all know, and we have a growing need of home-care workers because we're all getting older and we're all going to need them. So we're very aware of that.

SENATOR RAMOS: And many of us are

very worried about how our aging parents will be taken care of. And certainly we're on our way there too.

DOL COMMISSIONER REARDON: I hear you.

SENATOR RAMOS: Well, since we have a little more time, I want to ask about adults with disabilities. Only 33 percent of adults with disabilities are currently employed in New York State. What has the department done to prioritize disability-inclusive hiring practices in state agencies?

Maybe that's a twofer.

DOL COMMISSIONER REARDON: You want to go first?

DCS COMMISSIONER HOGUES: Sure.

So thank you for the question. Last year in the process we increased our 55-b program from 1200 to 1700 because we were -- for the first time in state history, we were approaching that ceiling. And so that program continues to thrive. We're over the 1200 mark.

The area that we're having struggles in is the 55-c, which is for veterans with

disabilities. And so we've been working with our Chief Disability Officer and the commissioner for Veterans to really see how we can promote those opportunities.

But we also believe that the HELP program will be able to address those, because it takes away some of the barriers for qualifying for the program, and individuals could enter right into state government with permanent opportunities. And so we're excited to see where that will lead.

SENATOR RAMOS: We need a Helmets to Hardhats in Civil Service.

DOL COMMISSIONER REARDON: So all of our Career Centers have adaptive technology, both hardware and software, for people with disabilities. Our mantra is we meet our people where they are. And we want to put people to work whatever that work may be. We are very connected across the state, very proud of the work. And I'm really proud to work with Kim Hill because she is an amazing force of nature leading this charge. And I told her, sign us up, we're there.

SENATOR RAMOS: Thank you, Commissioners.

DOL COMMISSIONER REARDON: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

ASSEMBLYMAN BRONSON: Yes. Next questioner will be Assemblymember Slater.

ASSEMBLYMAN SLATER: Thank you, Chairman.

Good afternoon to the panel. Thank you so much for joining with us.

Commissioner Reardon, great to see you again.

I just wanted to follow up on our conversation that we had last month.

One of the things that we discussed was Indian Point and the building and trades workers who are there. To date we've seen 103 carpenters be laid off, 21 operating engineers, as well as electricians and ironworkers.

I brought this to you last month, and I'm curious if you've engaged with the Westchester Putnam Building and Trades to

provide any type of services for their members or what the plan is moving forward for the men and women who work at Indian Point.

DOL COMMISSIONER REARDON: Yeah, it is -- you know, Indian Point was going on when I came in many, many years ago, it seems, and it's still there.

We do the WARN services when people are laid off. And WARN services are an early intervention. So we meet the workers, we explain what their rights are, we offer any kind of employment services they may need, what other training do they need, all of that.

And we're very -- we work very closely with the Putnam folks and have for a long time on this. It's -- it's a difficult situation. But we definitely have reached out to them, and we're there for them whatever they need.

ASSEMBLYMAN SLATER: And are you in communication with Holtec in regards to any future layoffs that may be planned?

DOL COMMISSIONER REARDON: I think we are. Let me find out. I mean, I know they have to report it to us. But I don't know what kind of lag time we get ahead.

ASSEMBLYMAN SLATER: I appreciate that.

I also just wanted to follow up on your comments earlier regarding the UITF. And so you said earlier that we've been able to pay back $2 billion over the last two years, and that you're anticipating by 2028 that it should be fully restored.

So does that mean by 2028 that's the year that the IAS will be suspended?

DOL COMMISSIONER REARDON: The IAS will be suspended when there's no more debt to pay the interest on. So yes.

ASSEMBLYMAN SLATER: So 2028 is the --

DOL COMMISSIONER REARDON: Assuming it's paid off, there will be no interest because there will be no -- nothing to pay on.

ASSEMBLYMAN SLATER: Fantastic. Because I think you've heard plenty of times

today from the business community that we keep hearing from regarding that surcharge and the effect it's having.

DOL COMMISSIONER REARDON: I mean, obviously market conditions continuing the same. But in the last two years that's definitely what we've done, and it seems to be pretty good, so.

ASSEMBLYMAN SLATER: I appreciate that.

In my remaining time I just wanted to talk about AI quickly. Do we have ascertained or any idea how many state agencies are currently utilizing AI when it comes to hiring or even managing workforce productivity?

DOL COMMISSIONER REARDON: It's interesting because AI is so many different applications. So no, I don't think we have a distinct list. Because again, AI is, you know, hey Google, it's your phone, it's all of that stuff. It's definitely in use, but I don't know -- I don't think we have a compendium of them, because it's too broad.

ASSEMBLYMAN SLATER: Understood.

Thank you very much. I appreciate it.

CHAIRWOMAN KRUEGER: Thank you.

Three-minute follow-up from our Civil Service chair.

SENATOR JACKSON: So quickly, Commissioner Hogues, the Civil Service Commission authorized the expansion of NY HELPS. Does that include the localities, the local governments also?

DCS COMMISSIONER HOGUES: So as I mentioned earlier in my testimony and follow-up questions, that we will be bringing that request in front of the Civil Service Commission next month.

SENATOR JACKSON: Okay. And hopefully the answer's thumbs up?

DCS COMMISSIONER HOGUES: Hopefully the answer is thumbs up, yes.

SENATOR JACKSON: Okay.

DCS COMMISSIONER HOGUES: Because we've heard from localities constantly, talking about the struggles that they've been having and requesting for the expanded HELPS

program.

SENATOR JACKSON: Regarding the IRMAA, how many retired state employees do we have on record overall? Because if in fact if that goes through, it's going to be devastating for those retirees that are on fixed incomes.

DCS COMMISSIONER HOGUES: So I'll have to follow up with you on that to find out how many there are.

SENATOR JACKSON: Okay. And Director Volforte, with respect to -- you said consistent with the Governor's State of the State message and our requested budget, our office will take the lead on providing additional diversity, equity and inclusion training for the state workforce to foster a work environment of inclusivity and continue to move New York forward as an employer of first choice.

Where are you at with that now, if anything?

GORE DIRECTOR VOLFORTE: So we've rolled out a series of trainings. A number

of years ago we rolled out a gender identity toolkit for all state employees, and we're on the cusp of launching an additional training. And most of the training in this area is -- because the area is so broad, it's general education, it's education on what the law is, because all state employees are required to comply with the law. And it also talks about real-world experiences and general respect in the workplace.

SENATOR JACKSON: Sure. And if in fact there were claims of discrimination in the workplace, would that go to OER or would it go to Labor or would it go to Civil Service? I would think that would be in your camp, is that correct?

GORE DIRECTOR VOLFORTE: Yeah. For all direct-controlled-by-the-Governor executive branch agencies, complaints of protected class discrimination are required to be investigated by OER.

SENATOR JACKSON: Okay.

Well, I want to thank all three of you for coming in and trying to answer all of the

questions that we have.

Obviously we want a perfect world of -- which includes everyone, including those restaurant workers that are depending on a minimum wage plus tips in order to earn a living. So I want to thank all three of you for coming in.

DCS COMMISSIONER HOGUES: So it seems like you have 15 seconds left, and so I do want to take a -- make a cheap plug that for anyone that would like for Civil Service to come into their district and educate their individuals on what's going on, the opportunities, we will be happy to do that.

SENATOR JACKSON: Thank you.

Thank you, Madam Chair.

ASSEMBLYMAN BRONSON: Thank you.

The next questioner will be Assemblymember Giglio.

ASSEMBLYWOMAN GIGLIO: Thank you.

And thank you all for being here this afternoon.

And I guess my question is back to the unemployment issue and the people that are on

unemployment. I've been to the Career Centers. They really don't look like they're functioning every day. I'm told, in meeting with the Labor -- many representatives of your office, that the requirement for somebody that's on unemployment is to go to the career center once every 90 days.

DOL COMMISSIONER REARDON: They have to check in. They have things that they have to do. There is a protocol.

Do you mean that my workers don't look like they're doing anything?

ASSEMBLYWOMAN GIGLIO: No, the workers were great. And they were very informative. And I was actually very impressed with the AI and the process in which to apply for unemployment.

But we've lost the human touch. And that's what I'm concerned about, is that there may be more people accessing unemployment that are capable of working and capable of being matched with jobs, that are not. Because I'm hearing in the employment community that they have people that are on

unemployment that are calling, making an appointment to come in and interview, and then they're not showing up. And no one from the Department of Labor is ever following up to see if that person actually showed up for the interview and whether or not the job was offered to them and, if it was, why did they reject the job.

And if they rejected the job because they didn't think they had the skills, then I would think that that would mandate them immediately going to the Career Opportunity Center to get those skills. So that if they were interested in the job in the first place, that they should be trained for that job.

So I'm happy to hear from Civil Service that those Career Centers are going to be utilized by Civil Service as well. I just am wondering -- I just think it's too easy to collect unemployment and there's no accountability on the unemployed to get a job. And I think that it's either the Department of Labor is short-staffed and

you can't have that one-on-one connection to find out what happened, why they didn't get the job or why they didn't show up.

So if you could fill me in on that, please.

DOL COMMISSIONER REARDON: So everybody who comes into UI has -- they develop their own account. And they fill out their skills --

ASSEMBLYWOMAN GIGLIO: I set one up.

DOL COMMISSIONER REARDON: Yes, so you know -- you know what the process is.

ASSEMBLYWOMAN GIGLIO: Yup.

DOL COMMISSIONER REARDON: And every week we send out emails to customers -- and you don't have to just be on unemployment, you can be -- you can come in and get these services without being a UI customer.

Every week we send out emails with leads: These employers in your area are looking for people of your type and, you know, here are the details. A lot of those are very, very successful.

We do not follow up individually at

this point with each person for each job opening that we've recommended. I don't think that we would be able to, quite frankly.

ASSEMBLYWOMAN GIGLIO: Well, I'm happy to hear that you're going from the old mainframe into a cloud-based system, because we did that on a local level.

But I think that there needs to be a mechanism in there also for employers to report that this person on unemployment didn't show up. And if it becomes a habit, then that person should no longer be collecting unemployment. They're on unemployment for too long.

DOL COMMISSIONER REARDON: Interesting. Interesting idea. Thank you.

ASSEMBLYWOMAN GIGLIO: Thank you.

ASSEMBLYMAN BRONSON: Thank you.

And next we'll turn to Senator Rhoads.

SENATOR RHOADS: Thank you so much, Chairman.

I know we're running towards the end. I want to thank you for your patience. I'm

also pleased that I was able to get here from session so I could chime in with a couple of follow-up questions.

I wanted to talk specifically, even though this is under the purview, really, of the Department of Health, the occupational health clinic network. I know that in the current budget there's 9.8 million, I believe, reserved for that, which has been flat for really the last 10 years.

Are there any plans -- I know there was an ask in the one-house from the Senate last year. Are there any plans on the part of the administration to expand those services?

DOL COMMISSIONER REARDON: I think you're asking me.

SENATOR RHOADS: Sure.

DOL COMMISSIONER REARDON: He doesn't know; neither does Michael.

I'm not sure. Because it is a DOH initiative. I can find out for you. But I don't -- because it's not in my agency, I don't know the workings of it. But I can

find out for you.

SENATOR RHOADS: Understood. I mean, especially since it -- I mean, it's such an important connection to labor, provides some specific industries -- industry-specific diagnosis and medical treatment, helping them to be able to get back to work. I mean, from a labor perspective, it certainly is incredibly important.

DOL COMMISSIONER REARDON: Right.

SENATOR RHOADS: And the flat funding for the last 10 years certainly isn't reflective of the increase in cost.

So if you could do that, I would certainly appreciate it.

DOL COMMISSIONER REARDON: Yeah, we'll look into it.

SENATOR RHOADS: Thank you very much.

DOL COMMISSIONER REARDON: Mm-hmm.

ASSEMBLYMAN BRONSON: Thank you.

The next questioner will be Assemblymember Santabarbara.

ASSEMBLYMAN SANTABARBARA: Okay, great. Thank you.

Thank you, Commissioner, for being here. Thank you all for being here. I know it's been a long day.

Just wanted to ask a question about employment for people with disabilities. I know we talked about the unemployment rate, much higher amongst that population. I know there's some legislation that we passed, and some programs. Just wanted to get your feedback on the progress we're making and what more we can do, perhaps in this state budget, and maybe through legislation in the rest of the session.

I have a son who's 22, and, you know, perhaps with a job coach and some other things, you know, he may be looking into this as well. Many people come to my office and ask the same thing: How can we open up these employment opportunities.

And I will say that I have seen more in the past few years, because there is a workforce shortage and people are looking, private companies are looking to hire. I just wanted to get some feedback on what's

happening with your department.

DOL COMMISSIONER REARDON: So as I said, we do have adaptive technology in all of our Career Centers, and we have career counselors trained to work with, you know, people with various barriers, including disabilities.

And we work very closely with, of course, the not-for-profits and the schools and all the other support systems in the state. It's a very broad -- as you know, I'm sure, a very broad group of support, and we're part of it.

We really believe that anybody who can work should work. And we support that wholeheartedly. I have had wonderful conversations with Kim Hill about it, because it is -- it's actually a very meaningful thing for me as well. And anything we can do to be more accessible, to be more engaged as a partner, we will do it. Because our job really is to help people find work, whatever that work may be.

DCS COMMISSIONER HOGUES: And if I may

jump in. And so from a state aspect, working with Chief Disability Officer Kim Hill, she's held her second DREAM Event where we talk about opportunities for individuals with disabilities to enter into the workforce. I think it's about education about the opportunities and making sure state agencies are aware that we have a population that is ready to work.

And then there's another thing that came through one of the DREAM Events, is Special Olympics came. And we had a great time with them, and then I followed up with them and I was able to go to one of their opening ceremonies and talk about the opportunities that are available in state government.

So it's looking at opportunities for marketing and getting that word out through partnerships we may have not thought about in the past. And so I think we're moving in the right direction.

ASSEMBLYMAN SANTABARBARA: That's great to hear.

And just quickly, some of the -- I just pulled up some of the information on some of the people that call my office. Some of them lose their PIN number, some of them have problems accessing the automated system and they have trouble getting to a live person. And most of the complaints come from, again, the long wait times. So I just wanted to ask about that real quick.

And also the Workers' Compensation, the applications, and if you get denied or have to go appeal, that process takes a very long time. Sometimes people don't get the treatment they need to get back to work and that's all they want to do. But it -- sometimes it goes from three months, taking -- you know, going to the hearings and it ends up taking nine months, up to nine months or even more --

CHAIRWOMAN KRUEGER: Sorry, you'll have to continue after the hearing; you can follow up.

ASSEMBLYMAN SANTABARBARA: Okay.

CHAIRWOMAN KRUEGER: Thank you.

ASSEMBLYMAN BRONSON: Thank you.

Next up will be Assemblymember Smullen.

ASSEMBLYMAN SMULLEN: Thank you very much.

I've got some questions for the commissioner from the Department of Civil Service, regarding this migrant memo. To me, it's very unbelievable in many ways.

The background of the memo says that Governor Hochul has taken several steps to address the migrant crisis, including identifying more than 18,000 job openings with hundreds of employers who are willing to hire migrants and asylum seekers with legal work status in the United States.

The Governor's also looking for state agencies to participate in this effort. Agencies have identified 4,000 positions, entry-level titles that can potentially be filled.

And the proposed solution is to help state agencies address the employment barriers faced by migrants and asylum

seekers. The Division of Classification & Compensation will create positions in, quote, transitional titles with requirements in line with the candidate's qualifications.

It goes on to say that appointments will be temporary but once they obtain the required qualifications, are reachable on an appropriate "eligible" list, and if their work performance has been satisfactory, agencies may appoint them to the target titles.

So what you're saying is that asylum seekers who have not had their cases adjudicated in federal court could become state employees with all of the benefits, including all the retirement benefits that they would obtain before they have even had their initial or their case actually settled in federal court.

DCS COMMISSIONER HOGUES: So what we're saying is anyone eligible to work in New York State has this opportunity, not just the migrant workforce.

And so once again, I will reiterate

that this is nothing different from programs that we've had in the past. And I also want to reiterate that this is open to all interested parties that want to take part --

ASSEMBLYMAN SMULLEN: I get it. I get the HELPS program for --

DCS COMMISSIONER HOGUES: This isn't the HELPS --

ASSEMBLYMAN SMULLEN: I know it's not. I know it's not. I've been listening very carefully. I've been listening to your testimony and your written testimony, which mentioned nothing about this.

And this is what's disturbing, is that we're here to talk about the budget for this year -- not the budget for last year, where we spent more than $2 billion on illegal immigrants. This year we're going to spend $2.5 billion on migrants.

And here's what actually federal immigration law determines -- migrant is not a word in the federal lexicon, which is actually the governing authority for immigration in New York State and all of the

states. It has to be. An immigrant is any person lawfully in the United States who is not a U.S. citizen, U.S. national or person admitted under a non-immigrant category as defined by the Immigration and Nationality Act.

And I've got just a few seconds. What we're proposing here is to give people who don't have that status the ability to collect a New York State pension -- or accrue benefits and then collect a New York State pension. Is that -- is that true?

DCS COMMISSIONER HOGUES: So obviously it's a statement, and we can follow up, because I don't have enough time to --

ASSEMBLYMAN SMULLEN: Yeah, please do. Because this is bad policy. We don't want bad policy in this slippery slope area. You know, this --

CHAIRWOMAN KRUEGER: Thank you very much.

ASSEMBLYMAN SMULLEN: -- has to be considered very carefully.

CHAIRWOMAN KRUEGER: Your time is up.

Thank you.

DCS COMMISSIONER HOGUES: Thank you.

ASSEMBLYMAN SMULLEN: Thank you.

ASSEMBLYMAN BRONSON: Thank you, and I'll take my second rounds of questions.

This is for you, Commissioner Reardon. You know, the whole wage-theft issue is concerning to me. We know that there are a lot of bad actors out there. We know we need to protect those workers. But at the same time, you look at the labor law and you look at the penal law defining wage theft and larceny, in each one of those areas it talks about the failure to pay wages. Not the failure to pay on a frequency basis or not the failure to pay on time, it's the failure to pay the wages.

We also know that we put penalties in place to incentivize employers not to break the law, but also to have attorneys to reach out and help you with your job to find out if there's wage theft going on.

So I'm very torn by the approach of getting rid of the liquidated damages. But

even if we go there, even if we go there, what steps are you going to take as an agency to correct the behavior? We have that weekly pay for a reason. It's cash flow in the household. That's why we have it there.

So what -- if the Governor gets what she wants, what will the agency do to try to make sure these employers do the right thing and pay on time?

DOL COMMISSIONER REARDON: It's an interesting question. Most of the attention that this area has had in the agency for the last couple of years has been because of these lawsuits. Occasionally people will say I'm not being paid correctly, and we'll investigate it and make a decision and they'll either pay weekly or biweekly, whatever the law applies to them.

But it has not been a big problem. The big problem was that it was seen as a windfall because of the liquidated damages. So, you know, they're actually kind of two separate questions.

ASSEMBLYMAN BRONSON: They're not

really two separate questions. Because your agency wouldn't know about the wage frequency payment violation, you wouldn't know about that without attorneys seeking that out.

So -- and we have a policy. We want manual laborers to get paid every week. And we do that because of cash flow in the household. So if you take away the incentive for attorneys to go out there and try to enforce the law through lawsuits, I think we're going to create a problem there. So that's one piece of it.

The other piece is keep in mind, we changed sexual harassment laws and other harassment laws to issue attorneys fees, so attorneys would take on those cases. And we're kind of doing the opposite policy here.

So, you know, I don't know the answer. I'm just posing that we need attorneys to be a part of this.

DOL COMMISSIONER REARDON: So we should have a conversation. This is -- yeah. Let's talk about it.

ASSEMBLYMAN BRONSON: Thank you.

CHAIRWOMAN KRUEGER: (Mic off; inaudible.)

ASSEMBLYWOMAN PHEFFER AMATO: Okay, good. Okay, thanks. Just quick.

Commissioner, on the 55-b and the 55-c programs, you said the b plan is doing pretty well in the changes that we made last year. 55-c is for veterans.

DCS COMMISSIONER HOGUES: Yes.

ASSEMBLYWOMAN PHEFFER AMATO: What are the challenges there that we're not fulfilling or filling, the amount of people that we could hire under that program?

DCS COMMISSIONER HOGUES: Yeah, so 55-c has a max of 500 slots allotted to it, and we're -- so we have increased since I've been here, but it's still not performing to the rate that the 55-b is. And so there is actually a little over a hundred slots that are filled.

And so we are -- we continue to work with Chief Disability Officer Kim Hill. We believe that her DREAM Events are bringing and highlighting the opportunities that are

available.

And so we look forward to this opportunity to continue to promote and work with the population, as well as working with Commissioner DeCohen for veterans, and to, like, collaborate on some of the career fairs that we've had to really target that population and see why they have not accessed state government as an option for employment.

But also with the HELPS program and our marketing campaign, we're really going to focus on the population as well. And we have to review our 55-b and -c requirement for individuals to qualify for the program and see if there are barriers that are inherent to that qualification process, to streamline that as well.

ASSEMBLYWOMAN PHEFFER AMATO: Right. Because as we discussed, you know, in this state, unfortunately, you have to self-identify, and the agencies actually have legislation -- not that I'm promoting myself here, but legislation to have the agencies speak to each other so if a veteran's

identified in housing, it would come to you.

So not that I want to tell you how to do your job today, but when we're doing the marketing, I think it is a hard group to reach. And being that we have 400 slots open -- and I just heard you say it, that we can market specifically to our veterans and make sure, either with advertisements within our veteran home areas that we know, and our CBOs that they identify just in that specific area. Because I believe once they're halfway in that door, the HELPS program or something will work, because I can hear from all of you that your goal of course is to hire. And certainly we want to hire our veterans.

But I would love to be able to, you know, work with you closer to figure out how to get those slots or what we can collaborate together, because it's just a good opportunity.

DCS COMMISSIONER HOGUES: Yeah.

ASSEMBLYWOMAN PHEFFER AMATO: So thank you. Yes?

DOL COMMISSIONER REARDON: We have

dedicated career counselors in the Career Centers who are veterans who work with this population. So I'm going to work with my friend Tim to make sure that we have a robust referral process as well.

ASSEMBLYWOMAN PHEFFER AMATO: Well, when you talk about coming to the district, I think that's great to say on these job fairs, and be able to specifically say --

DOL COMMISSIONER REARDON: Yes. Yes.

ASSEMBLYWOMAN PHEFFER AMATO: -- and for our veterans.

You know, again, one thing we talk about in the state is that our veterans are all different ages, you know, they're not just what we think about the nice guy with the little poppy seed, you know.

So again, I look forward to working with both of you in this area. Thank you so much for all your testimony today.

CHAIRWOMAN KRUEGER: All right, I think we've gotten through all of our Senators and Assemblymembers for the three of you. Thank you very much for being with us

here today. I think some of you have some follow-up answers to get to us. If you'd please get them to both the Assembly Ways and Means and to Senate Finance, we'll make sure all the legislators get copies of your answers.

And with that, I'm going to excuse you, thank you.

ASSEMBLYMAN BRONSON: Thank you.

CHAIRWOMAN KRUEGER: Go back to your agencies and work. Well, all right, maybe not, it's 6 o'clock. It's up to you, I guess, it's 6 o'clock.

I'd like to call up Panel A: Retired Public Employees Association; Organization of New York State Management Confidential Employees Association; CSEA Local 1000, AFSCME; and New York State Public Employees Federation.

I will ask everyone to take their conversations out in the hall so that we can continue with the next panel.

And I will also introduce -- and we've been joined by I think Senator Rhoads,

Senator Chu, Senator Mayer. I think that's the new Senators so far.

I don't know if there are any new Assemblymembers.

ASSEMBLYMAN BRONSON: No.

(Off the record.)

CHAIRWOMAN KRUEGER: Good evening, everyone. Thanks for being with us. Thanks for waiting -- well, not that long, because you knew we weren't starting the 2 o'clock at 2 o'clock. You are all old hats at dealing with the Legislature.

So nice to see you all. Why don't we start with the Retired Public Employees Association. Good evening.

MR. FARRELL: Thank you, Chairwoman Krueger, other members of the fiscal committees, honorary chairs. I'm Ed Farrell. I'm the executive director. It's an honor to be here, almost this evening.

RPEA, there's roughly 500,000 retirees in the State and Local Retirement System. And contrary to public opinion, 80 percent of

those retirees stay here in New York. So you know who we are. We're in your districts. You see us all the time.

I have three priorities I want to talk about. The first one is the COLA, the cost-of-living increase for the pension. This is not part of the Executive Budget proposal for this year, but it is something that we hope you will act upon this year, because there is a lag involved in implementing it.

Just a bit of background: 23 years ago, when the cost of living was implemented, it was never a true COLA. It was only half a COLA. You would get 50 percent of the COLA, it could never be higher than 3 percent, nor lower than 1 percent. And that formula's never been changed. So for 23 years, it's gone unchanged.

Right now we have an excellent proposal that Senator Jackson, Assemblywoman Pheffer Amato have sponsored on behalf of the retirees. And something different -- it contains a catch-up provision. A lot of our

older retirees have very small pensions and are really having a difficult time. Twenty-four percent of the retirees in the State and Local Retirement System have a pension of $10,000 or less -- just think about that. And 43 percent of the retirees have a pension of 20,000 or less. These are the folks that need help.

So what this bill does is to go back and say we have these constraints within the formula -- never higher than 3 percent, never lower than 1. What if we went back 23 years and stayed within the parameters and gave those retirees a boost? You would get the real COLA. It could never be higher than 3 percent, though. And it would go back and help the people who need it the most.

These are people in their 70s, most are in their 80s, some higher. But if you're living on a pension of $10,000 or less, you're struggling. And these are people who've committed themselves to public service.

So we hope that you will act upon this

bill this session, because it has an effective date of next year. And the reason it takes effect a year after the fact is, one, the Comptroller needs the opportunity to go back and recompute all 23 years' worth of formula calculations for those who are eligible. And two, if the bill were to pass next year and it were not to be transmitted to the Governor quickly, we would never meet the September deadline to get it implemented.

So we want you to do that. There are two other proposals I'll talk about quickly. These are both budget issues --

CHAIRWOMAN KRUEGER: I'm sorry, I have to cut you off.

MR. FARRELL: Okay.

CHAIRWOMAN KRUEGER: Maybe somebody in their questions will ask you about it. Thank you very much.

MR. FARRELL: I thank you for the opportunity.

CHAIRWOMAN KRUEGER: Appreciate it, thank you.

Organization of New York State

Management Confidential Employees, Barbara Zaron. Good evening.

MS. ZARON: (Mic off; inaudible.)

ASSEMBLYWOMAN PHEFFER AMATO: Is your mic on?

CHAIRWOMAN KRUEGER: Your mic is not on, Barbara. You have to press till it's -- there we go.

MS. ZARON: Oh, sorry.

CHAIRWOMAN KRUEGER: That's okay.

MS. ZARON: Good evening, everybody. I'm grateful for the opportunity to speak with you. I'll try to cover a couple of things quickly.

There are three proposals in the Governor's budget that I want to mention related to the workforce. One is removing educational barriers, meaning taking away the college degree requirement for certain jobs. We're not opposed to that, but it needs to be done on a case-by-case basis, not a blanket exemption.

Eliminating the lag payroll and salary withholding for new hires is something that

we support.

And eliminating the subsidy for Medicare Part B IRMAA, we're absolutely opposed to, as we have been every year in the past when this has been proposed.

We have an issue of continuing concern that is agencies continue to seek classification of additional positions in the exempt and non-competitive jurisdictional class to avoid the use of competitive class positions. Our concerns include the fact that this ignores the constitutional requirement of the merit system based on competitive examination. The exempt positions may be paid without regard to the state's statutory compensation plan, and such positions may lack basic civil service job protections and union representation, which are two things that we're concerned about for our workforce. We believe we need to reduce the use of exempt and non-competitive classification for the jobs that should be in the competitive class.

And let me rush off to the HELP

program, which had a good deal of discussion already. We do have some concerns about the HELP program. And as I listened to the discussion earlier, I said, oh, my goodness, they're some of the same things as we're concerned about. We seem to be on the other side of the folks who were speaking.

But placing a position in the non-competitive class requires a finding that it's not practicable to determine merit and fitness by competitive exam. Some people tend to say, Well, I'm having trouble recruiting people, so I need to have a non-competitive classification. That's not what we're talking about. Suspension of open competitive exams, which is another feature sometimes, is problematic.

Oops, sorry.

CHAIRWOMAN KRUEGER: Thank you very much. Appreciate it.

Next we have CSEA Local 1000, AFSCME, Joshua Terry.

MR. TERRY: Great. Thank you all. It's good to see everybody.

Chairman Bronson, welcome. Glad to see you up there in a different role.

I'll start off tonight as I started off last year. We are in a public-sector staffing crisis. We are still in that crisis. Since 2012 -- and these are numbers I used last year, and they have not changed -- we lost 17,000 FTEs since 2012 on the state side, all while spending over $1 billion in overtime last year alone. We've lost 28,000 positions in local governments.

We've worked with the Legislature. We are thankful for what we've done in the last year. We've waived civil service exam fees, we're going to better promote civil service exams, we're doing continuous recruitment, we're doing a lot. But we need to do more.

So what can we do? You know, this was not under the purview of Commissioner Hogues, but it is under your purview: Tier 6 reform. That is the top of our list. We need to make a change this year. We are not asking for everything, but we need to advance our agenda. We need to make some reforms,

contributions. We can look at final average salary, the calculation of the pension at 20 years. We have a number of options that we can work on.

And this is a recruitment tool; it's also a retention tool.

We are supportive of the New York -- the HELPS program. It is bringing people in. It's temporary. We view it as temporary. But we are very supportive of it.

We support the Governor's proposal in Part Q to eliminate the five-day withholding and the ability to negotiate the lag payroll. I testified to this at the hearing in October with Senator Jackson, that Senator Jackson held here; I was about two seats over when I said it. We need to eliminate barriers to public employment, and that is nothing but a barrier. That is nothing but a deterrent for people coming in.

We are opposed to the closure of five Department of Corrections facilities with only 90 days' notice. We can have a policy debate on whether correctional facilities or

any state institution should be an economic driver, whether that should be an economic development program for a county or a region. That's a worthy debate. But the fact is, is they are. In rural parts of our state -- Franklin County, go up to Washington County, Essex County. That is economic development.

And to close a facility with 90 days' notice -- only 90 days' notice -- rather than the one-year requirement in law is a disservice to the communities themselves that cannot plan for it appropriately, to the families and our members that work there, that are going to have to make a decision on what they're doing next, with only three months' notice.

The Governor can close these facilities at any point. We want the one-year notice respected.

And as I said last year, to close out, I'm missing Taco Tuesday again with my family this year to be here, and they're watching at home. So hello to my kiddos again.

(Laughter.)

CHAIRWOMAN KRUEGER: Thank you. Hi, how are you?

MS. DiANTONIO: Good evening.

CHAIRWOMAN KRUEGER: Public Employees Federation, nice to see you.

MS. DiANTONIO: Nice to see you too.

So good evening, Senator Krueger, Assemblyman Bronson -- I'm so glad to see you -- and to all the other members of the Legislature. I'm Randi DiAntonio. I am one of the vice presidents of the New York State Public Employees Federation, and I chair the PEF Statewide Political Action Committee.

So the decimation we've seen in the state workforce is nothing new. It's a result of a decade of neglect by the former governor. So first off, I need to thank Governor Hochul and each and every one of you for enacting so many reforms last year that have helped start get us back on track.

These reforms have come online, they are making a difference, but none of them are making a difference quickly enough. We are very supportive of many of the Governor's

proposed actions this year -- ending the lag payroll salary withholding program, increasing mental health beds, expanding wage-theft enforcement, and the plan to hire more than 12,000 staff by the end of this fiscal year. That's a lofty goal. And unfortunately, despite all the efforts that were discussed earlier, the state remains unable to attract and, more importantly, retain the staff it needs to deliver services.

This is evidenced by the continued closure of group homes across the state at OPWDD; the proposed closings of state correctional facilities without a clear plan, in a quick fashion; the challenges around wage theft and enforcement responsibilities; and the fact that state employees have worked more than 22 million hours of overtime at a cost of $1.35 billion. According to Comptroller DiNapoli's report, the state lost more than 10,000 staff to attrition in 2022. That's a 41 percent increase over 2020. These are not retirement-related departures,

so it's really critical that that's recognized.

The million-dollar question is how do we encourage people not only to join state service but to stay. Getting new hires in the door is definitely improving in some agencies and in some areas. We still have rural challenges, we still have other areas and agencies that cannot hire.

Keeping them, however, is not as easy. We hear from our members they can earn more in the private sector, they can remote work, they get treated better. Our members are frustrated. Good example, our licensed social workers, our auditors. They are not being paid at a level that makes them want to stay. We have hundreds of vacancies. These are folks who take care of our most vulnerable and who enforce the state's tax laws. That's just one example. We have many, many others.

Fortunately, there are a lot of solutions. Fixing Tier 6, that is important. We will -- we have many different ideas about

that, and we believe there's sufficient money to do that if you look at how much we're spending in overtime. Increasing compensation. Studies are great, they take too long, people aren't going to wait for them. And while we appreciate the leadership at Civil Service, these salary reviews take way too long.

We need to end abusive conduct in the workplace. I know it's an uncomfortable topic, but there's bullying going on, there's toxic workplaces. People are not going to stay in places where they don't feel appreciated.

And I'm out of time. That goes so fast!

CHAIRWOMAN KRUEGER: Thank you very much.

We're going to start with Senator Jackson, chair, for 10 minutes -- oh, no, we're past government. You only get three minutes.

SENATOR JACKSON: I understand.

CHAIRWOMAN KRUEGER: And nobody gets a

second round. Sorry about that.

SENATOR JACKSON: First let me thank you all for coming in. It's important to hear from you, the representatives of the workforce in the State of New York, at least the majority of the workforce.

So Ed, you had mentioned you wanted to say something when your time was up. Please say it now so everybody can hear you.

MR. FARRELL: Certainly.

I was going to mention there are two issues in the testimony that are part of this year's Executive Budget that we want you to act upon. One has to do with the fact that Medicare primary enrollees in the Empire Plan lose access to a benefit for skilled nursing facilities upon turning age 65. The Empire Plan provides nothing. If you're under 65, you get 120 days. If you're over age 65, you get zero. You get the Medicare benefit, which is only 20 days.

The second issue is what you had referred to earlier, which is the IRMAA proposal. That has been around before.

Thankfully the Legislature has been supportive and has rejected that in the past.

Now, let me just say what the commissioner had said earlier. It is a federal requirement what those brackets are, what you talked about. But it is in state law that it be reimbursed.

SENATOR JACKSON: That's right.

MR. FARRELL: And what the Governor is proposing is to change state law.

SENATOR JACKSON: Thank you.

Barbara, please tell me -- you wanted to say something before you got called off.

MS. ZARON: I'm sorry?

SENATOR JACKSON: You wanted to say something before you got called off by the machine. So please.

MS. ZARON: I -- it's too long. I'll just reiterate what Ed is saying, that the IRMAA reimbursement we believe should be maintained.

SENATOR JACKSON: Right. I'm clear on that. That's why I asked the commissioner how many retirees do we have in New York

State. Because all of those will be impacted by it.

So let me turn to PEF --

MS. ZARON: You have 500,000 something.

SENATOR JACKSON: Well, Randi, can you tell me -- want to finish what you were speaking about there?

MS. DiANTONIO: Yeah. I mean, look --

SENATOR JACKSON: Ed, can you turn off your mic, please? Barbara, can you turn off your mic? Thank you. Go ahead.

MS. DiANTONIO: I mean, I think the reality is we have to look at the employee experience. Right? How people are being brought on is one part of it, but how they're treated once they get there is an important part.

Under the former governor, they decentralized a lot of human services, business, payroll. People experience being at work differently than they used to. They can't get their problems solved. They can't get their questions answered. We need real

turnaround on these issues for people when they come in, because people get really frustrated within the first year that they're working because they don't have equipment, they're not being trained properly. They leave because they don't feel the support that the need. And that historically has not been the way we did business.

SENATOR JACKSON: Joshua, the last 15 seconds. Go ahead, you have 13 seconds.

MR. TERRY: What do you want? I said all my -- I said my piece.

SENATOR JACKSON: You're good?

MR. TERRY: I'm good.

(Laughter.)

SENATOR JACKSON: All right. I just wanted to make sure everyone had an opportunity to finish up. And I'm finished also.

Thank you for coming in. We appreciate you. We need you to be partners in this.

Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

ASSEMBLYMAN BRONSON: Yes, Assemblymember Ra.

ASSEMBLYMAN RA: Thank you.

So, Mr. Terry, so you guys represent the civilian employees of the prisons, correct?

MR. TERRY: Correct.

ASSEMBLYMAN RA: So how many members is that?

MR. TERRY: I think it's roughly three to four thousand.

ASSEMBLYMAN RA: Okay. And --

MR. TERRY: Statewide.

ASSEMBLYMAN RA: And you talked about earlier, you know, the impact that this abbreviated time frame would have on them with the prison closures. Unfortunately, we've been through this a number of times before. So can you elaborate on the impact it has had on that membership when there's been a closure?

MR. TERRY: Yeah. I mean absolutely.

When these facilities close, there is

not always another facility close by, right, within a reasonable drive. And, you know, when you're suddenly looking at the option of keeping your job but driving 90 minutes -- and this isn't a, you know, a New York City 90 minutes where you're going eight miles, maybe. This is through rugged terrain in the North Country or, you know, where it might be.

I mean, that's a real drive. And that's a real impact. So you're making some pretty hard decisions on whether you can continue in state service or not based on that.

I mean, I think that puts an undue strain on our workforce, on their families -- getting pulled out of schools, moving to a new area. And I think just disregarding the one-year notice that was put in very intentionally by the Legislature and a Governor and just ignoring it every time I think is a disservice to everybody involved in this process.

ASSEMBLYMAN RA: And thank you for

that. Because, you know, you just mentioned schools. Like a perfect example of things -- you know, if you're making this decision and you have a year, it's still not ideal but, you know, you may have more of an opportunity to consider all of these different things a family needs to consider when making that type of decision that may include moving closer to another facility.

So I think that three-month time period just is not sufficient for a family to have to, you know, deal with something like this. So thank you.

CHAIRWOMAN KRUEGER: Thank you.

Also for three minutes, Labor Chair Senator Ramos.

SENATOR RAMOS: Thank you, Chair Krueger.

My question's going to be for Randi.

You know, we heard from the DOL about the significant need for investigators. In fact, the commissioner said that there are 500 open lines currently. What do you believe are the roadblocks?

I know you talked a little bit about that during your testimony. But do you believe the open positions are being offered at a competitive enough rate? And how would a dedicated funding stream for enforcement impact your workforce?

MS. DiANTONIO: Well, no, I don't think that they're being paid at a competitive rate. And we know that DOL has been -- this has been a slow bleed. You know, we have 21 percent less workers at the Department of Labor than we did 10 years ago. So people leave, and they're not filling those positions. The impact on New Yorkers is huge.

I think it's incredibly important -- and I know that there's legislation that has been put forward to create a mechanism to fund the DOL by making sure we fine those bad actors. And we know not every employer's a bad actor, but making sure that those funds that are raised, those fines, are rededicated back to the Department of Labor to fund wage enforcement.

It's not okay that New Yorkers are being treated badly not getting paid, but it's also not okay to set up the wage inspectors to not be able to get the work done. And they're not being supported or funded or resourced right now to get that work done. And I think, you know, creating a mechanism to do that is going to be incredibly important moving forward.

SENATOR RAMOS: Well, thank you. Thank you to your union for working with me on that bill.

MS. DiANTONIO: And thank you.

SENATOR RAMOS: I think a lot of the other work that we need to do is around addressing workplace bullying. We know that our remote workers tend to feel more comfortable reporting the workplace bullying that they seem to be suffering. And I'm wondering if you guys have ideas about how we can better educate management about how to handle these situations.

MS. DiANTONIO: Well, I think one of the things that happens is people are very

fearful of retaliation. So, you know, when you report bullying and you're the one whose worksite is moved or you're the one whose job duties change or you're the one whose schedule's changed, that puts a chilling effect on everyone else who might be thinking about talking about a problem in the workplace.

So if we're going to train -- and everybody needs training. If we're going to train managers, it's also about how to respond in a way that's supportive. We know that there's an investigations process and everything is not, you know, one side is the whole truth and nothing but, you know, that things have to be looked into. But we have to be able to support workers coming forward and talking about the issues that make them want to leave the workforce.

And bullying is one of those issues. We have members who come to work, they're scared, they cry, they're sick to their stomach. That's not okay. That is not somebody who's going to stay employed with

the State of New York. They will go elsewhere.

SENATOR RAMOS: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

ASSEMBLYMAN BRONSON: Yes, Assemblymember Pheffer Amato.

ASSEMBLYWOMAN PHEFFER AMATO: Good evening, I think it is.

Mr. Terry, you alluded to it talking about the modernization and the fee waiving pilot program we put in last year's budget. And you went over, and I'm sorry that you missed Taco Tuesday, and next year I would like to be invited. I get that.

But what -- are you finding these measures to have been effective in recruiting more employees to public service, or just not -- you know, just give some more detail into that.

MR. TERRY: Yeah, no, thank you, Assemblywoman. And thank you for your leadership on these issues last year.

I think it's probably too early to say

whether they're working. I mean, we have -- there's a few things that we know are working. The hiring freeze is gone; Governor Hochul's lifted that. We know there are additional FTEs -- Randi alluded to this -- 12,000 additional in this budget. But it's bringing people in the door and making them stay.

So how -- so we're bringing, I think, bodies in, but we still have churn. We still have turnover in some of our positions, especially in direct care, of 25, 30, 35 percent. How do we keep them employed? How do we want them to come back? And I think part of that is looking at the benefits structure and looking at things like Tier 6 and creating an incentive and creating a career ladder for people to work through.

You know, I think working on things like the -- waiving the civil service exam fees has been great. The NY HELPS program brought in 7,000 employees statewide. That is tremendous. We're very supportive of expanding it to local governments tomorrow,

as a temporary measure. We are on board with doing all this.

But, I mean, I think it's -- you know, we've just started rolling out the advisories on the tests, where we're notifying high schools and the BOCES programs and the community-based organizations. I mean, I hope that we can see over the next year that this is really starting to bear fruit and that we can really see both an increase in applicants but also a steadying of the retention rate. Or an increasing of the higher retention rate.

ASSEMBLYWOMAN PHEFFER AMATO: And then that's what Randi said, you know, how do we retain them. Right? Because we can get a thousand in the door, but in that first year if it's not working out, then they're out the door the same way, so we're only retaining a certain percentage.

So then where do you see the worst staffing shortages? Or where is that area that just (gesturing)?

MS. DiANTONIO: Are you talking to me?

ASSEMBLYWOMAN PHEFFER AMATO: Either. Jump in. Anybody?

MS. DiANTONIO: I mean, I think many of our agencies are really struggling with getting workers in. You know, as my colleague alluded to, the direct-care workforce is definitely being hit the hardest. Our healthcare workforce. I mean, these are the things we notice the most because they affect the most New Yorkers.

So, you know, the wait times, the waiting lists. I think our O agencies have really struggled. You know, with the onset of telehealth and telemed, many medical professionals can not only work elsewhere, they can get paid higher amounts of money, they can remote work. There's all sorts of other options that the state hasn't really pursued as much.

ASSEMBLYWOMAN PHEFFER AMATO: Thank you very much.

CHAIRWOMAN KRUEGER: Thank you.

Senator Mattera.

SENATOR MATTERA: Thank you, Chair.

And thank you so much for everybody's testimony here today.

And this is a question to CSEA, you know, Joshua, and to Randi from PEF. I thank you so much for caring about all the hardworking men and women of labor, to make sure that they receive a decent wage, a decent healthcare, and a decent pension.

I don't know if you listened to me before asking the question to Commissioner Reardon about the unemployment rate that we have here in New York State of 4.5 percent unemployment rate, which comes out to be 214,000 New Yorkers, taxpayers, that don't have jobs right now.

What could you do, both CSEA and PEF, do to help -- in other words, we need workers -- to help educate and to get our New Yorkers back to work? I am asking you -- these are people that could have great-paying jobs, have pensions. We need to make sure that we get our New Yorkers back to work, the taxpayers of New York first.

Is there anything that you guys could

do to help with this?

MR. TERRY: Yeah, Senator, I mean it's a great question. I appreciate your -- as a labor leader yourself, I appreciate your advocacy on this.

We could take those -- we could probably take a whole district of unemployed people in New York State, in your district or anybody's district, we could get them to work in New York State tomorrow, for New York State government or a local government. I mean, there are that many vacancies that we have within our direct-care titles, within -- we have 911 dispatch all over the state, right? We can't keep caseworkers. There are jobs available.

So what we've been doing, and we've partnered with the Department of Civil Service, the Department of Labor, to do these job fairs to promote not just the jobs themselves, but the union benefits that you get with it. And I think when people start seeing how do we connect -- it's not just a job. I mean, this is your -- this could be

your career, this is your life going forward. Your health insurance, right, you get college benefits, you know, benefits for your family. And that's really important.

So I think we're trying to do a better job ourselves of connecting the dots from the jobs into the union benefits and then getting people in the door.

SENATOR MATTERA: Great.

And, Randi, can you answer that also too, please? Because I only got -- I have one more question.

MS. DiANTONIO: Yeah, sure.

I mean, everything Josh said I one hundred percent agree with. I think there's also something missing here as far as our outreach and what people know about public service. We sort of always expect -- expected people to always come into government work, and it used to be civil service, get a good job --

SENATOR MATTERA: I have 31 seconds. I organized the unorganized. Good union paying jobs, a decent wage with decent

healthcare and a decent --

MS. DiANTONIO: Listen, we got to teach our kids about this stuff.

SENATOR MATTERA: Exactly. But guess that, that's what we need to do to make sure we get the Department of Labor, please, to help with this. Healthcare workers, they lost their jobs during COVID. How are they? Were they taken care of? What happened with the situation? This is very, very important that there's too many healthcare workers lost their jobs because of the COVID. They were there for our families. They were our heroes, then they went to zeroes, but they're always going to be our heroes. Did they get compensated in any way?

MR. TERRY: Can we talk about that offline? Because I think we could have a broader discussion about it.

CHAIRWOMAN KRUEGER: You're going to have to.

We wouldn't mind if you actually answered to all of us in writing so that all the members can see. So if you send letters

to Ways and Means and to Finance, we'll all share the information. Thank you.

Okay, Assembly.

ASSEMBLYMAN BRONSON: Yes, the next questioner is Assemblymember DeStefano.

ASSEMBLYMAN DeSTEFANO: Thank you, Chair Bronson. And good evening, everyone.

Randi, I guess I'll start with you. Starting salaries, I think that's been part of the problem over the years for every time we sat here and talked about that. Do you still believe that that's part of the problem in getting people to the workforce as far as public employment?

MS. DiANTONIO: For many of our titles, we have many titles that have advanced degrees that the private sector pays a lot more. The balance was the pension and the health benefits and all of those things. And as that has diminished, we can't -- we cannot compete. I mean, a lot of our titles are attorneys, engineers. You know, we really need to look at those salaries and raise them. They have not been looked at, in

many cases, for decades.

ASSEMBLYMAN DeSTEFANO: Right. And that's kind of like where I was leading into, is like so what are we going to do to try and entice these people to come into the workforce as a public servant, as opposed --

MS. DiANTONIO: Fix Tier 6.

ASSEMBLYMAN DeSTEFANO: Well, I was going to get to that. I was going to ask Josh that question, but I'll go with you.

Josh, I was going to say, before we get to the Tier 6 issue, do you have any idea how many prisons have been closed in the last several years in the state?

MR. TERRY: I want to say there was over 20, but I -- 24, yeah.

ASSEMBLYMAN DeSTEFANO: With the exception of a handful, a lot of them are still empty, just so you know.

MR. TERRY: Correct.

ASSEMBLYMAN DeSTEFANO: There's going to be a press conference tomorrow on the Million Dollar Staircase to address that issue.

But in Tier 6 -- and, you know, anybody can answer this -- we know what the issue is, we know what the problem is. We've been told that there's probably not going to be any fixes coming anytime soon.

I don't believe that. I believe that the collaborative effort of everybody that has a part in this can do something to fix it. We've heard some of the scenarios. In your opinion, what do you think we could do to make this thing move along?

MR. TERRY: So, I mean, just to set the table, right, over 60 percent of our state and local government workforce now is in Tier 6. I mean, we are -- we are over critical mass at this point.

You know, I think we've talked to every member here. We've talked to every member of the Legislature, at least amongst the AFL unions. And everybody is on board, right? Everybody knows the challenges. Everybody has staff that are in Tier 6 and know the problems.

So I think we need -- we're going to

keep elevating it. We're going to keep talking about it. I think -- listen, hope springs eternal for me. I mean, I'm not going to give up on reforming Tier 6 this year. I think there's -- where there's a will, there's a way, and I think we can try to get it done.

ASSEMBLYMAN DeSTEFANO: So addressing it that way, so you know everybody up here is okay with it, you know that everybody talks yes, yes, yes. Where's the pushback?

MR. TERRY: Well, I think there are financial implications that we need to figure out.

ASSEMBLYMAN DeSTEFANO: And that's where we need to find the fixes. That's what I was asking, if anybody had any ideas on what is necessary to fix it. I think gradual would be a good start. But who gets put in first, who gets put in last? That type of thing.

But without your encouragement to the rest of us in here, you know, we keep pushing the envelope because as Senator Jackson --

you know, Tier 6 sucks, and we all believe that. So thank you for your testimony.

CHAIRWOMAN KRUEGER: Thank you.

We're back to the Senate. Senator Chu.

SENATOR CHU: Thank you, Madam Chair.

First I want to thank all your members for their dedication on their career to serve and help to the public. And ensuring our society and government can actually function and provide service to every family.

However, I've been sitting here listening, and all of you are talking about how hard to -- for the hiring, for the retaining. I read through the testimony -- I'm going to dedicate the question to PEF, Randi. You mentioned that in the state we're short on about 11,000 staffing, and we're all aware this issue is across the breadth of our agencies.

So is there anything -- I hear the concerns, the Tier 6, the bullying, the safety, and all the issues, the salaries. So what exactly can you tell us, from your

members, what would they say is the biggest challenge and hardship to keep them, to hire them?

MS. DiANTONIO: I mean, I think, you know, our members probably have a breadth of different answers for that, depending on where they work. But I think for most of them it's pay, work/life balance, being able to have advancement opportunities, making sure they have a good retirement security. All of those things are what keep them coming in and what keep them staying.

I think the frustration that many members will leave state service is because of short staffing, they can't fulfill their mission. So like I'm a social worker. We have nurses, they care deeply about the people they take care of, and it's incredibly frustrating when they don't have enough people and people are waiting for services or falling through the cracks by no fault of theirs, and they see diminishment in the care of the people they want to serve.

And I think that is sort of the

cyclical issue that unless we figure out how to keep people and get them in the door, it's going to keep happening. Because the morale is a major problem.

SENATOR CHU: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assembly. Oh, I'm sorry, you had 48 seconds left. Did you want to -- okay, thank you.

ASSEMBLYMAN BRONSON: Thank you.

Assemblymember Giglio.

ASSEMBLYWOMAN GIGLIO: Yes, I want to thank you all for being here and for representing the people that you are the leaders of. It's very important.

There are nurses on Long Island right now that are not reaching a contract, they're getting ready to strike, which will really -- the hospital's one of the largest employers in Long Island. And they cannot reach a contractual agreement, which means that the patients are going to suffer. And the hospitals are really suffering as far as the payments from the state for Medicaid,

Medicare, things of that nature, where most of the hospitals are operating in the red, as I'm sure you're aware.

And so that's one of my questions about what you think that we can do to make the lives of the nurses and the doctors and the hospital workers, the janitors, the health aides that are there, to make their lives better.

And the programs -- I mean, we had a nurse that came into work, she was fine, and then she went up to the top floor and jumped off the hospital roof in Long Island a couple of years ago. And these are serious mental health issues that we are not only having as far as beds for the people that need -- are in mental health crisis, but also for the workers that are short-staffed. And that's one of the conditions of the strike, is that they're short-staffed and they can't meet the needs of all of their people.

So that, number one. And then, number two, with NY HELPS and the 7,000 workers and the 7,000 positions that were filled -- were

those New Yorkers, or were those people brought in from out of state? And when they came on, did they come on as Tier 6? And were they promised -- I mean, because we do need to fix Tier 6. That will solve all of our problems.

But a couple -- just a couple of those questions, if you could answer them, please.

MR. TERRY: So I'll answer the second question first, on NY HELPS. I mean, I can't tell you exactly who filled -- you know, out of those 7,000. Their tier status is based on their first date of hire in the public sector. So if they were hired previously, in a different job before 2012, they could be Tier 5 or Tier 4.

ASSEMBLYWOMAN GIGLIO: Okay.

MR. TERRY: You know, it's -- it's my understanding, though, that those 7,000 are New Yorkers. Those are people that live here or, you know, maybe Pennsylvania or New Jersey, right on the border. But they are -- they are New Yorkers for the most part.

And I will just say on -- you know, we are in a vicious cycle in the healthcare system. We have lack of staff that creates mandatory overtime. People burn out and they leave, which creates more mandatory overtime, and we get into a cycle.

What we need to do is to fix the workforce problem by training, in the healthcare workforce, more people, like, to come in. We just need an influx, a massive influx, which is very hard to do. I mean, it is very hard to train that -- like a significant number of people to put a dent in it. But we are in a spiral here, and it is very hard to get out of it.

ASSEMBLYWOMAN GIGLIO: And I think that the teacher -- the educators for the nurses are another problem, in that you have to have a master's degree, you have to have your certifications, you have to have all of these criteria. And I think that there are a lot of nurses that are aging out that maybe don't want to work on the floor that could become teachers, and I think we need to move

towards that also.

CHAIRWOMAN KRUEGER: Thank you.

Senator Mayer.

SENATOR MAYER: Thank you for being here and thank you for what you do.

Two sort of areas I haven't heard addressed. One is -- and Randi, you addressed this briefly, but it's important to me. Do the unions -- CSEA and PEF independently do outreach when new jobs are available? Or are we dependent on the employers doing the outreach? Because I agree with you, I think outreach is sort of a bit of an outdated concept the way it's been done. So that's question one.

Question two is, how successful are you working with the Civil Service Commission in actually creating new titles that are needed? Like in a library, for example, where a title is needed and the Civil Service Commission is too slow and too cumbersome to actually create a new title when there's someone ready to be hired, the money is there, but the title and the test is not

there.

MS. DiANTONIO: Okay, so I forgot the first question with 15 seconds.

SENATOR MAYER: Outreach. Outreach.

MS. DiANTONIO: Thank you. I'm like, wait a minute.

Okay, so as far as outreach goes, it's kind of -- it's dependent on which agencies. There are some agencies that work very well with their local leaders and invite them and include them and tell them when they're doing outreach. We think that's a great idea because being in a union is a benefit, and many people don't know that or understand that that's part of state government.

Most times we're not aware of it. The HR departments are doing the outreach. We are working with them on, you know, trying to do better at on-boarding. But the actual fairs and all the advertisements and public outreach campaigns, a lot of those are being done by people with expertise in marketing. We know a lot of agencies that are basically entering contracts with firms that specialize

in this and coming up with campaigns.

And, you know, frankly your workforce knows the job. So I would encourage agencies to work with us as much as possible, because we can help recruit.

SENATOR MAYER: Yes, I agree.

Yes?

MR. TERRY: So it's a great question, Senator. We are becoming -- I think we realized there was a gap in what we weren't doing as a union. Especially with the crisis that we're in. So we have definitely been more proactive in going to job fairs, promoting these jobs, promoting them internally amongst our membership and, quite frankly, the family of our membership, because that's always been like the next generation of the civil service workforce.

But we are without a doubt trying to be much more proactive than we have been in the past of not just leaving it to the state or a local government, but going out there to do it.

SENATOR MAYER: Just before I end up,

do you have recruitment people that work for you? I've been at several job fairs where unions actually have recruitment people on their staff. Do you?

MR. TERRY: So we don't have recruitment staff, we use internal staff and our local -- like our union leadership within a local or a unit.

SENATOR MAYER: Okay, thank you.

MR. TERRY: And then just to answer your last question, we have been working very closely with civil service. I'll say the relationship is really great there, the best it's been I think in decades.

And so I can't speak to that specific example, but I think we're always -- they're always willing to listen on that.

SENATOR MAYER: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

ASSEMBLYMAN BRONSON: Yes, next up is Assemblymember Alvarez.

ASSEMBLYMAN ALVAREZ: Okay, now.

First I'd like to thank you and the

many union organizations that you represent, many of which are my constituents, for your advocacy on behalf of New Yorkers.

I have a couple of questions, and one of the questions is, as union leaders and ambassadors for the union strong movement, what do you see as the greatest budgetary threat to workforce development?

The second one is, how can we as a Legislature invest in workplace protection and workforce development in a creative way?

And how COLAs -- how the increase of COLAs can possible impact economic development in our communities.

MR. TERRY: So, I mean, I think the biggest budgetary threat to workforce development is something that we've gone through over the last 15 years, which was just the abdication, the utter failure to make any investments in the workforce. I mean, we had a hiring freeze in New York State, for the state -- for state employees for almost a decade. They weren't bringing in anybody. We couldn't hire people in our

group homes in OPWDD, in our state psychiatric centers. And when that starts happening, and people start seeing that there is no path for promotion, or there's no path even in, they're going to start looking elsewhere.

And we have a changing -- I mean, the workforce has changed. It's no longer the state or the public sector and, you know, the Carrier Corporation in Syracuse or Eastman-Kodak in Rochester. We have the gig economy now. We have -- you can work in any number of places. You can work where you want and when you want.

And so the civil service -- the public sector is not -- it's not the end-all be-all anymore. We have to be able to compete. We have to be constantly making investments into that system.

MS. DiANTONIO: And I'd just add, it's not just investments into the workers, it's investments into our infrastructure. Our physical buildings where people work are in many cases unsafe and they're falling apart.

So you bring in -- you want to bring in the best and the brightest, and they walk in and they're like, I'm not working here, this is, you know, an unhealthy environment for people.

So it's really an overall -- they stopped funding state services on a wholesale basis.

ASSEMBLYMAN ALVAREZ: Thank you.

I know I have 40 minutes -- 40 seconds left I'm going to yield back to you.

CHAIRWOMAN KRUEGER: We have Senator Weik.

SENATOR WEIK: Thank you so much.

I just have a -- I have a real concern: What are some of the issues or costs you see if we take on an influx of migrants to the public-service workforce?

MR. TERRY: Quite honestly, I don't see costs to our public-sector workforce if that -- if that happens.

I mean, so CSEA will represent any employee that's in our bargaining unit, that's placed in our bargaining unit.

Anybody -- and the commissioner spoke about this. And I am not a lawyer, and I'm not going to litigate whether this is right or wrong, but anybody that is authorized to work in New York State quite frankly we would encourage them to join the public-sector workforce because we have such dire needs. As long as they are eligible to work here and meet the minimum qualifications.

We spent over a billion dollars in overtime last year alone. Our members need relief. So I would encourage anybody in this room who has constituents that are unemployed to send them to the state, send them to a local government. If you could go work for OPWDD, you could apply tomorrow and probably be hired within a day or two because they are that short-staffed.

So, you know, Senator, I understand the concern that's been expressed here. But I don't see a downside for the people that are legally allowed to work in New York State working for, you know, New York State, with proper checks and balances, in --

SENATOR WEIK: So a migrant as a social worker, you're okay with that?

MR. TERRY: Well, if there were minimum qualifications that are met, and they were able to pass a licensing exam and they were able to do that -- I mean, yeah, I mean, we're not in the business -- that is not our business. You set the policy on that, not us. We just represent the workers.

SENATOR WEIK: I'm just asking your opinion. You do represent the workers, and I'm sure some of the workers would have a problem with some of that.

MR. TERRY: I'm sure some of them absolutely would, yes.

SENATOR WEIK: Yeah.

MR. TERRY: But our members also have a big problem working mandatory overtime. They have problems working four shifts in a row in a group home.

SENATOR WEIK: I agree with that. Yeah, I agree with that. That is a problem.

CHAIRWOMAN KRUEGER: Thank you. Do you -- oh, you have another 56 seconds,

sorry.

SENATOR WEIK: No, I'm good, thank you.

CHAIRWOMAN KRUEGER: Okay, thank you.

Assembly.

ASSEMBLYMAN BRONSON: Yes, I'll go with questioning.

This is probably a rhetorical question, it's for Randi and Josh. So I think, Randi, you used the phrase a lofty goal of hiring 12,000 more people, right? And you both explained job fairs -- sometimes union and agencies, sometimes just unions, sometimes just agency. But you're doing all this outreach.

Is it reasonable to believe that we're going to hire that many people if we really don't fix Tier 6?

MS. DiANTONIO: I think it's -- a, no, I don't think it's reasonable to think we're going to hire that many people, for a lot of reasons. Tier 6 is one of them.

We have a very slow process to hire people. By the time they get information

about a position, take an exam, get called back -- I mean, by the time we reach out to people and offer a job, they've found three other jobs.

So we have problems with Tier 6, we have problems with compensation. We also have problems with the process itself. There's been a lot of improvements. You know, the HELP program to us is a temporary stopgap. It's not the answer to all our problems. Because yes, we hired 7,000 people, but we lost, you know, 10,000.

So we're not keeping up. There's not a big enough net gain. I think we'd have to really change and modernize our infrastructure on hiring to -- some of the things that are -- they're looking to do, but of course it takes a while. You know, doing things online, making sure we're responding to people more quickly. Getting them, you know, in the door faster. That's a huge thing. I think the average is four months. And it's not only New York State. That's a national average. It takes four months to

hire into a public-service job.

So that's just not going to work. For people interested in working, they want a job tomorrow. And we have the jobs. So we should be able to do better at that.

MR. TERRY: Yeah, I mean, Assemblyman, I brought this to an earlier question. I mean, the world of work has changed. And I think, you know, it's kind of built in: The state and local governments are not equipped to change that as quickly as the world around it is changing, at least in the world of work. And I think there has to be some serious thought that's put into how often can people work from home if they're eligible. Do they have to come into an office.

I think -- so Tier 6 is without a doubt, I think, a big driver. But it's not the -- it's not the only answer. I think there's a lot of other factors that we really need to be looking at. And Randi said it, speeding up the process of on-boarding is important. You could be hired pretty much anywhere and start a day or two later if you

really want to, and then be paid within two weeks, right, your first paycheck.

The state just doesn't function like that, and we really -- and I will give credit to Civil Service, they have been processing faster. But we need to find a way to go even faster to get people on board.

ASSEMBLYMAN BRONSON: All right. So you're not going to be able to answer this question, Randi. You and I have talked a lot about bullying at the Rochester Psychiatric Center. Could you get us that data on where it's happening so we can correct it? Thank you.

MS. DiANTONIO: Yup.

CHAIRWOMAN KRUEGER: Thank you.

Senator Martins.

SENATOR MARTINS: Thank you.

Good evening. It's great to have you here, especially following the panel that was here beforehand. Because what I heard from that panel was everything's great. And then you came in, and we have a billion dollars in overtime and we have 17,000 people whose jobs

haven't been replaced and we have persons and inspectors at the Department of Labor that need to be hired in order to do inspections. And that's the information that we need in order to properly look at this budget.

And before I get to that, Ed, a question for you. I know you've been sitting there patiently for a while.

You mentioned COLAs, and you mentioned the cost of COLAs for 23,000 retirees. And if we were to do the right thing by those workers who retired, state workers, how much would that cost? I'm sure you've calculated that, right?

MR. FARRELL: We have. The bill was introduced last session; it cost 350 million, roughly.

The same bill was introduced this session, it cost 1.4 billion, the same bill.

So we requested a meeting with the Comptroller's office to talk to the actuary, because it was the exact same bill. And the actuary interpreted the language of the bill to mean the catch-up provision would apply to

anyone who got a COLA over the last 23 years, including people who are dead.

And so we pointed out that it was very clear you only get the COLA if you are eligible to get the COLA; i.e., you are alive.

(Laughter.)

MR. FARRELL: So the bill has been resubmitted for amendments to clarify that it only applies to live people, and therefore the new version of the bill will have a lower fiscal.

SENATOR MARTINS: Three hundred fifty million.

MR. FARRELL: Yeah, but even if that is the true number, if you look at that within the context of the retirement system was 260 billion --

SENATOR MARTINS: Ed, I don't disagree. I agree with you, 350. I'm going to work with Robert Jackson here and get it done.

Josh, Randi -- four months to on-board somebody. All of these -- these are -- and

correct me if I'm wrong, all of these open slots are actually in the budget. We are not actually asking for money to hire new people. These are positions that have already been approved, they're in the budget, and they're available to people today.

MR. TERRY: Correct, absolutely.

SENATOR MARTINS: Thirty seconds. Josh, how do we -- what would you do to fast-track and make this a week as opposed to four months?

MR. TERRY: I mean, I think we really need to look at Civil Service in terms of what are we testing for, what are we examining. And we've talked about this: Are there ways to look at your past experiences in order to retain merit and fitness but also show that somebody can do the job to get them on board faster?

SENATOR MARTINS: Love it. Thank you. Thanks very much.

CHAIRWOMAN KRUEGER: Thank you.

I think I'm the last legislator here -- oh, excuse me. I'm sorry, you

weren't on the list. I am going to jump to Assemblywoman Jo Anne Simon.

ASSEMBLYWOMAN SIMON: Thank you. I've been trying to not ask questions for the sake of asking questions, so I appreciate it.

So you just said something that is an area that I have long been concerned about, and that is we test for everything, and we have no idea that these tests are valid. And so many of them are not valid for the job, for example, that is being sought and testing actually the skills and abilities that are needed, because they end up being paper-and-pencil tests, essentially.

Which disadvantages certain populations with less reading skills. It's different in certain professions than others.

What would we need to do to counteract that, to make those assessments be more in line with the nature of the work that we're hiring for in the state civil service workforce?

MR. TERRY: You know, I think it's a big question. And I think it would be -- in

order to change that system, I think that's a long -- it's a long process. I mean, I think -- listen, I am from the Civil Service Employees Association. We believe in civil service, we believe in merit and fitness. But I think we would be on the same page that merit and fitness is not always a test.

And there's a good example. My neighbor, she took a civil service exam to become a graphic designer for the State of New York. And it was a paper-and-pencil test. It wasn't a review of her portfolio, of the work she's done before. And then she quite frankly had to wait eight months in order to be hired into the state.

I think there are things that we could look at and examples like that that we can say, does this really make sense? But I think it would take some political will, and I think it would -- it's a fine line of getting rid of merit and fitness and just putting in, you know -- you know, going back to Tammany Hall-style cronyism and making sure the right people are coming into the

system.

ASSEMBLYWOMAN SIMON: But do you believe it's possible? I mean, I have a former client who was a massage therapy graduate from an associate's degree program -- it wasn't a civil service exam, it was a national exam -- and persistently, even with accommodations for her disability, couldn't pass the corporate organization -- the business organization and corporate tax questions on the massage therapy test.

It makes you wonder, in a hands-on profession, why we're doing that, why we're asking for that.

MR. TERRY: Yeah.

ASSEMBLYWOMAN SIMON: And so I think that there probably is some -- a whole lot of wiggle room there for improving the system.

MR. TERRY: It is possible, and we've done it in some agencies, within OPWDD, at least for our direct-care titles, our DSAs, there are -- it's not a test, it's more of a qualifications and a skills assessment, to make sure that you are able to do the work.

And that's what's -- you're able to come into OPWDD now and you're hired much more quickly, because we've reevaluated -- and they've worked with us. We want to be part of that process if we were to do it. But it is possible, Assemblywoman.

ASSEMBLYWOMAN SIMON: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

And I believe -- {mic off; inaudible}.

SENATOR RHOADS: Thank you so much, Chairwoman.

And Josh and Randi, I know you've been on the hot seat for a while answering a bunch of questions; sorry to add to that.

Just to follow up on Senator Mattera's line of questioning, we seem to have a balancing in different interests. You know, you've indicated that we have 11,600 vacant positions in the state that we're spending $1.36 billion in overtime costs, we have a 4.5 percent unemployment rate in the State of New York.

The Senator had asked about adding potentially 400,000 migrant workers into the

workforce. Are you concerned at all about adding those workers into the workforce and potentially taking away employment opportunities from New Yorkers who are desperate for work?

MR. TERRY: Senator, I appreciate that question. Those jobs are open now. I mean, New Yorkers can come into these jobs tomorrow if they want to, and we encourage them to. And we are actively talking about these jobs and recruiting people into them.

So again, I mean, I really -- I encourage everybody to send people to the Civil Service website, to have them talk to recruiters. I think what we're looking at is filling a gap that there's jobs that -- apparently these lower-wage jobs, they're lower skill sets that New Yorkers don't want to fill. And I don't know why they don't want to fill them, I'm not sure about that.

SENATOR RHOADS: Let me just hop in with another question, only because our time is limited. Are there things that the state should be doing to better let unemployed

New Yorkers know that these jobs are available?

MR. TERRY: Yeah, absolutely. I mean, I think we -- we do a terrible job of promoting public-sector work in New York State. I mean, you can -- you see ads for Amazon, like working at an Amazon warehouse or at Target, right -- I mean, you see ads like that all the time.

We haven't done a good job in the public sector on that, and legislation that was signed into last year that you all passed requires the Department of Civil Service to better promote these exams to places that are going to be receptive -- high schools, community colleges, universities, social service districts. You know, the list is -- it's in law now.

And that's being rolled out, and I think -- I think we need to even go further. The marketing campaign that's going to come out I think will be helpful. But also just not bashing public service. Like let's be proud of the work that we all do in all of

these state agencies and local governments. I think it's easy to complain about the work and the pay and the benefits, but when you do that, nobody's coming -- nobody's going to come and show up and work with ya.

SENATOR RHOADS: Let me hop in with one more question in the remaining 17 seconds. And we may have to go off-grid for the answer.

You've mentioned a couple of things in terms of Civil Service that we would be able to do -- online testing, speeding up on-boarding -- just so we can accelerate hiring people. Are there additional items like flexibility in civil service titles where, if somebody tests for one position, they may be able to be hired for something else? Are there other ideas that you have?

So thank you.

CHAIRWOMAN KRUEGER: Thank you.

So I guess I'm the last questioner, but I think I just more have, first, a thank you.

But also because people seem to be

obsessed with this issue, I just want to clarify it one more time. People can be in this country and have working papers allowing them to go to work. They can apply for jobs. As you keep answering successfully over and over again, it's not taking the job away from somebody else who wanted it. We want everybody to apply for civil service. We need these people to work.

And also if it's then determined at a later date that they are not eligible to stay in this country for some reason, then they've paid into our systems but they never get those benefits. And that's the history of immigrant labor, by the way, in this country. They disproportionately are paying taxes and paying into benefits that they can never get anyway, so they're actually making money for the rest of us who can draw down on the benefits -- and not taking the jobs away.

And so I appreciate your continually answering this question in my opinion correctly, because there seems to be a great deal of confusion in this room about reality.

I also do think it is very important, as you also I think all agree, that we start talking more about why government is where the best and the brightest ought to be going. Government is where people who care about other people go. Our government is something we should all be incredibly proud of and make sure that it works the best that it can for everyone. I know I talked to Mr. Hogues -- the commissioner about reaching out also to older people. I have lots of people over 50 who actually got pushed out of the economy during the pandemic, or because they were already over X age, and they're looking for work and they want to work, and they have really good work histories. And they know how to do deal with people and they can pass these tests.

So I'm also encouraging not just young people to recognize what a great opportunity this is -- this is a pitch, I guess, not a question -- but also for older New Yorkers who are looking for jobs and still feel the private sector isn't really interested in

them. But they can have amazing skills to walk into civil service, and we need to reach out to them as well.

That was my speech, not a question.

But I do want to thank all of you for your work, for your members' work, and for being with us here today. Thank you very much.

PANELISTS: Thank you.

CHAIRWOMAN KRUEGER: And I'm now moving to Panel B: New York Civil Liberties Union; A Better Balance; and the Center for Poverty and Social Policy at Columbia University.

Let's see who has stuck it out this late to join us.

(Off the record.)

CHAIRWOMAN KRUEGER: Good evening, ladies. Okay, let's go in the order we called you in.

For people who have the paperwork, it is not Alice Bohm, it's Allie Bohm, so I just want to make that correction for the record, from the New York Civil Liberties Union. Why

don't you go first.

MS. BOHM: Thank you. And thank you all for sticking around.

Updating New York's medical leave program is a gender and racial justice imperative. The U.S. faces a maternal health crisis that disproportionately impacts Black women. Under current law, pregnant people in New York simply cannot afford to take time off to keep themselves and their pregnancies healthy.

The Governor's TDI proposal is a good start. In addition to raising TDI's wage replacement rate and matching it to Paid Family Leave's, and adding job protections against retaliation and the continuation of health insurance, the Legislature should advance a more holistic proposal reflected in Senator Ramos's S2821B/A4053B -- which is Assemblymember Solages's. The Governor only proposes to raise TDI's wage replacement rate for the first 12 weeks of leave. For any subsequent weeks, the Governor would cap the wage replacement rate at $280.

The number of weeks an individual needs is based on medical need. While the vast majority of people will only need 12 weeks or less, those whose medical conditions prevent them from working for longer periods have no less need for sustainable wages on Week 13 than they did on Week 4.

Moreover, New York must take this opportunity to fully modernize TDI. It must move to a progressive wage replacement model to increase low-income workers' access to leave and expand the definition of family to include chosen family, which is particularly important for LGBTQ New Yorkers, who are often less likely to have a traditional nuclear family. And it should enable automatic conversion between Paid Family Leave and TDI for a worker who experiences pregnancy or neonatal loss.

While my written testimony includes more, I want to flag one more provision, and I'm sorry for talking a million miles a minute. The Governor proposes to establish

40 hours of dedicated paid leave for prenatal visits. Prenatal care is integral to healthy pregnancies. Paid time off will enable more New Yorkers to access this care. However, the Governor has proposed to shoehorn it into Paid Family Leave.

In addition to posing serious logistical hurdles for workers, locating prenatal leave within PFL could provoke serious unintended legal consequences that ultimately endanger pregnant people. Paid Family Leave is leave to take care of another person, whereas prenatal care is care for the pregnant person. Shoehorning prenatal care into Paid Family Leave suggests that the fetus is a separate person from the pregnant person, which could have serious detrimental effects on the pregnant person's legal standing.

Were the state to recognize the fetus as separate, its ability to control the pregnant person's life would be limitless. There is a disturbing trend of prosecutions of pregnant people for their behavior during

pregnancy, or their pregnancy outcomes in New York and around the country. These problems can be avoided by providing for prenatal leave through New York's paid leave program.

Thank you for the opportunity to testify today, for sticking around, and I'm happy to answer questions.

CHAIRWOMAN KRUEGER: A Better Balance.

MS. LEIWANT: Yes, thank you so much. Thank you for inviting me to be here today.

My name is Sherry Leiwant, and I am co-president of A Better Balance, a national legal organization based in New York that led the fight for paid family leave in 2016 and works on paid family and medical leave laws around the country.

I'm here to urge you to include in your budget desperately needed reforms to New York's medical leave program, known as TDI, that are included in Senate Bill S2821B, sponsored by Senator Ramos -- thank you very much -- and the Assembly bill sponsored by Assemblymember Solages.

Governor Hochul's budget proposal also includes raising TDI benefits, which indicates how important the issue is, but her proposal does not go far enough. New Yorkers need a paid medical leave benefit they can survive on, and currently New Yorkers who need time off to recover from cancer, a serious surgery, a pregnancy that requires bed rest, or any personal health need, can receive no more than $170 per week, due to a cap that was set back in 1989 and hasn't been touched since. New Yorkers who need to miss work to take care of their health cannot survive on that amount.

On our helpline, we hear from workers who became food insecure, who even became homeless, and others who did not take the medical care they needed because they couldn't live on that $170 a week if they were out of work.

It doesn't have to be that way. Most other states that have medical leave programs, paid family medical leave programs, give more than a thousand dollars a week to

people who are eligible for them. And even here in New York, our Paid Family Leave program pays over a thousand dollars a week. So if your father breaks his leg, you can take care of him and get a decent benefit. But if you break your leg, you get $170 a week, and that makes it very, very difficult.

In addition, how benefits are calculated is very important. Our bill includes progressive wage replacement, important for low-wage workers who can't live on a small fraction of their wages. Progressive wage replacement ensures that the benefit will be sufficient for all workers to meet their needs even if they have a minimum-wage job.

We applaud the Governor for proposing the increase in the benefit levels in TDI, but her proposal is not -- goes too slowly. It is a phase-in over five years. We've waited now since 1989 to have a raise in these benefit levels, and it's -- the time is now to do it. So we urge you to take the bills that are -- have been proposed by

Senator Ramos and reform TDI benefits immediately, effective January 1, 2025.

I also want to say that it's critical that job protection and continued health insurance be included in the TDI program. It is in the Paid Family Leave program but not the TDI program. It's in our bill, but it's also in the Governor's bill, and we would urge you to include that also in anything that's in your budget.

CHAIRWOMAN KRUEGER: Thank you very much.

And next is Meredith Slopen from the Center on Poverty and Social Policy, Columbia University.

MS. SLOPEN: All right, super.

Thanks so much for having me. I'm honored to submit testimony on behalf of the center and my colleagues discussing our recent analysis of the benefits and costs of Paid Family Leave and the proposed expansions described by my colleagues here.

We find that expanding eligibility to workers with only four weeks of consecutive

weeks of work at a given employer and introducing a progress multi-tier income replacement structure would increase accessibility and use of paid leave following birth by lower-income families at a critical time for child development.

Importantly, our work shows how the benefit of an expansion would far outweigh the costs through long-term improvements in the health and future earnings of infants and the health of their parents. We recommend that these key elements should be included in the Executive Budget.

A large body of research shows that paid family and medical leave policies benefit the health, well-being and career trajectories of workers and their families. And our research uses this literature to estimate the present discounted value, or the estimated future gains or losses in today's terms. We find that the net social benefits of a thousand-dollar investment in leave are over 20 times the cost of the initial investment.

Translating these estimates to the New York State current Paid Family Leave Act, we find that the program results in social benefits of $12.7 billion for the state. However, without expansion, many of these gains may be left on the table.

New York State became a leader on paid leave when it passed the most generous policy of its time in the United States. However, we know barriers remain. And in our analysis, we find that low-wage workers are less likely to use Paid Family Leave following birth than their peers. And, when they do, they use on average fewer weeks, only using seven weeks despite being eligible for 12 weeks.

The loss of at least one-third of wages following childbirth is substantial for these workers and may deter program participation. This shortcoming of the previous policy is illustrated by increases in low-income workers' take-up of paid leave during the phase-in, as we saw wage replacement rates rise. This would be

addressed through the multi-tier income replacement structure.

Our findings imply that low-wage workers cannot fully afford to benefit from the program, with implications for equity and limiting the full potential of the policy to create social benefits. We estimated that the proposed expansion would result in a net benefit to society of $2.3 billion. Given the high rate of return, the additional expenditures to ensure access by low-earning working families should be strongly considered for inclusion.

Our analysis points to two conclusions. Low-earning workers are less able to fully benefit under the current policy. And that, given the high rates of return to paid family leave programs, the benefit would be significant.

Thank you so much for your time, and we appreciate the opportunity to submit testimony and look forward to continuing to work with you in your efforts to support the working families of New York State.

CHAIRWOMAN KRUEGER: (Mic off; inaudible.)

SENATOR RAMOS: Hey, thank you. Good evening. Thank you all for your advocacy and working with us to improve TDI.

You know, it's always a wonder how we women, you know, we get pregnant and we're either disabled -- you know, we can't seem to fit under a category, despite being more than half of the population.

And you guys have made excellent points. Actually, my question to Allie was going to be about personhood, because that has been such a misclassified topic, but I would like to then touch upon something that I don't think I heard, which was a part of our TDI update that would actually allow for the definition of chosen family to be included in Paid Family Leave, and how important that is for LGBTQ families and beyond.

Can one or any of you, you know, speak to that? Thank you.

MS. LEIWANT: Yeah, let me, and I'm

sure Allie can add too.

We do work around the country, and we have been expanding the family definition in most programs because there -- you know, the families that need these benefits don't come in one size.

You know, we have immigrant families that have extended families where there's been care given, whether or not they're blood-related or not.

LGBT families, there's a -- there are many, many families who, even though marriage is now possible, they're still extended families that can't -- that are older and are -- don't really -- the people who care for them are the people who are close to them, not necessarily people who are blood-related or even have a legal relationship.

So what we want is that -- to expand our family definition to meet the family definitions that we're using around the country. It does not expand the program significantly, but for the people for whom it

is important who want to take care of their loved ones, it's really essential. So we thank you for including that in your bill.

SENATOR RAMOS: Thank you.

Anybody else want to add any thoughts to that, or anyone who wants to speak to how progressive wage replacement is going to work, how important it is?

MS. LEIWANT: Yeah, I mean on the progressive wage replacement, we really are out of step with the rest of the country on this. Because it's been recognized in lots of studies that if you replace wages, the first part of the benefit -- the first part of your wages is a higher percentage, then low-wage workers are going to get a higher percentage of their income, and then that will be all they'll get. Higher-wage people will get a less percentage of their income over that, but it will mean that nobody loses on that. Everybody gets 90 percent of the first X amount. We have it at the state, a statewide average weekly wage. But it could be -- it could be -- yes.

So in any event, it's very important for low-wage workers to get a bigger percentage at the bottom.

SENATOR RAMOS: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Senator Martins.

SENATOR MARTINS: Good evening. Thank you all for being here.

I was just speaking with Senator Ramos, and I can't for the life of me remember why, when we did Paid Family Leave, we didn't include TDI. Because it just makes sense that if we're going to socialize the costs of people who are disabled, and we want them to be -- you know, return to the workforce and remain as whole as possible, I think we'd all agree that $170 dating back to 1989 just doesn't make sense.

So can you talk to me about the economic benefit of somebody earning more during that period and their ability to reinvest that into the community and to spend that money on local stores and the like, and the multiplier effect that comes back from an

economic development standpoint, making sure that people are made whole, especially when they are on disability.

MS. LEIWANT: Yeah, I think it's obvious that nobody can really live on $170 a week. And what's happened is -- what really does happen when we get calls on our helpline all the time, is that people can't spend that money, as you say. They're -- they -- if they are trying to make it on that, they aren't -- they are really not paying for groceries, they're not doing anything else except the bare minimum in terms of their living.

But mostly people can't -- they really -- they can't get the medical care they want because they end up continuing to work and not -- and becoming sick. And so that also is a cost to us as a society and economically.

But, you know, as we've found with paid sick days -- and there's lots of studies on this -- people who get money when they're sick, when they can't work, they invest it

back in the community and spend the money, and it's a win/win both for business and for the people who are getting benefits.

SENATOR MARTINS: You don't have people who are returning to work because they can't afford to take the disability time to actually make themselves well, correct?

MS. LEIWANT: That's correct, right.

SENATOR MARTINS: Anyone else?

Well, thank you, I yield back my 52 seconds, Chair.

CHAIRWOMAN KRUEGER: Thank you.

We want to thank you very much for hanging out throughout the afternoon; appreciate it.

And our last panel will be The Business Council of New York State; ALIGN: The Alliance for a Greater New York; and the Worker Justice Center of New York. And No. 14 had to rush to a train, so it will just be the three organizations. Or whoever's left.

(Off the record.)

CHAIRWOMAN KRUEGER: Okay. Good

evening. Hi. Okay, great. So Crystal Griffith is here? You're Crystal Griffith, okay. And you are Theodore. And you are --

MS. KREYCHE: Emma.

CHAIRWOMAN KRUEGER: So we'll just go in that order, if that's okay.

Thank you for being with us to the near end of the event. Hi. Please.

You have to press the button hard until it turns green. It's a test.

MS. GRIFFITH: Okay, there we go.

Good afternoon -- well, good evening, Chairwoman and distinguished members of the Senate and Assembly. My name is Crystal Griffith, and I'm the director of workforce development at The Business Council of New York State. We are the largest business association representing local chambers and over 3500 members, 70 percent of which are small businesses.

We at The Business Council strongly believe and know that workforce development is an economic development concern and issue. And we support the Governor's budget

investments and proposals to improving our workforce. With that, we must remain a competitive state with a skilled workforce like no other.

Continuing to highlight our skills training even more, according to the World Economic Forum in their most recent report, by 2025 fifty percent of the employees currently in the workforce are going to need some type of re-skilling or up-skilling, and of that 50 percent, 40 percent of those are going to need skilling that takes six months or less. And that's by 2025, so just next year. So we have to do something about this now.

As far as manufacturing workforce investments in New York, we understand that they're crucial for the revitalization of our state's industrial sector, and we support those proposals that have been put forth, such as for the FAST NY investments and for ON-RAMP also.

We continue to support addressing skills gaps to ensure the workforce is

equipped with the technical expertise they need to advance in manufacturing environments, especially given that there are over 400,000 manufacturing workers in New York State alone.

Unfortunately, we still do have fewer individuals today than we did in February 2022 during the pandemic. When we look at recent data from the U.S. Chamber of Commerce, we know that there are 8.8 million open jobs and 6.3 million unemployed people. Now, that does not include individuals who have decided to stop looking for work. They no longer -- there are some individuals who no longer desire to be in the workforce because they've decided to either live off of one income or they've, you know, been able to save because of the pandemic and so they've retired early, and they haven't wanted to come back to the workforce.

So we look forward to budget investments and proposals that are going to encourage those individuals to come back and fill the 2.5 million jobs that would still be

open if every unemployed person still filled one of the open jobs that we have.

As I shared before, 70 percent of our membership are small businesses, and they have workforce concerns just as much as big businesses do, one of the biggest being unemployment insurance -- and I know that's been spoken about a lot today. It has been over 1100 days without action on unemployment insurance, and it's hurting them.

I'd like to end with this in my last 30 seconds. At the end of the day, no matter what we do, small businesses, big businesses, what you guys do, we have to ensure that we are making opportunities that are attainable to the workforce, to people that want to be in the workforce, that are accessible, and we have to make sure that individuals are aware of the opportunities that they have. As you all heard, there are so many positions open and the requirements for them are continuing to change. But if people aren't aware of the opportunities we're providing with them, then we're not really doing the best with those

opportunities that are there.

So right on time. Thank you, and I look forward to your questions from my written testimony.

CHAIRWOMAN KRUEGER: (Inaudible.)

MR. MOORE: Good evening. My name is Theodore Moore. I'm the executive director of ALIGN: The Alliance for a Greater New York. Thank you for the opportunity to speak with you.

I'm here as the leader of two statewide coalitions fighting for better conditions for our state's workers. Last year the Raise Up NY Coalition fought extremely hard to get workers a raise, as the cost of living has really skyrocketed all across the state. Now the minimum wage will increase to $17 for downstate and $16 for the rest of the state by 2026, indexed to the cost of living after that.

But several provisions of the law will actually harm workers trying to make ends meet. We can't pay upstate workers less when costs are, you know, up from Rochester

through the Hudson Valley, just like they are downstate. The Upstate Parity and Minimum Wage Protection Act would establish a statewide minimum wage of $17 by 2026, so that $17 is the floor for all workers.

The current law also has a harmful loophole that denies workers cost-of-living raises when unemployment goes up. If triggered in 2027, nearly 2 million workers would lose out on a raise. New York was once a leader, the first state to set a $15 minimum wage. But here we're an outlier among 19 states that index the minimum wage to inflation.

The Upstate Parity and Minimum Wage Protection Act would eliminate this loophole. We encourage everyone to support this legislation and prioritize it in this year's budget.

But obviously paying workers fairly just isn't enough. We must keep them safe on the job as well. New York will face -- is facing a worker injury crisis. New York's Department of Labor projects that the

warehouse industry will grow faster than any other state between -- has grown faster than any other state between 2018 and 2028. At the same time, warehouse workers are injured four times more than the average New York worker.

ALIGN supports the Warehouse Worker Injury Reduction Act to reduce the warehouses -- to ensure that warehouses are designed for worker safety.

Just 15 minutes from where we are currently is Amazon's ALB1 distribution center in Schodack, New York. It's one of Amazon's biggest warehouses in the state, with nearly 1,000 full-time employees. It's also one of the most dangerous in the entire state, with one in five workers getting injured every year.

With the rise of e-commerce, warehouses are being designed for profit and to get products out quickly, not for human bodies, and workers are paying the price. The Warehouse Worker Injury Reduction Act would require warehouses to be designed for

safety first, with annual evaluations by ergonomics experts to identify hazards.

Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Next.

MS. KREYCHE: Good evening, everyone. Thank you for staying late.

My name is Emma Kreyche. I'm the director of advocacy, outreach and education at the Worker Justice Center of New York. We're a nonprofit legal services and advocacy organization that serves low-wage workers throughout a very large portion of New York State, including the Hudson Valley all the way up to the North Country and out to Buffalo.

We serve the state's most vulnerable workers. We're talking about farmworkers, day laborers, landscapers, hospitality and restaurant workers and others -- you know, people whose essential labor really sustains our local economies but are too often left unprotected from workplace exploitation and abuse.

So what we are seeing is that workers are struggling to make ends meet, often working multiple jobs, with limited access to safety-net resources and are also facing very significant barriers to addressing labor law violations when they occur.

So today I want to talk about three -- very briefly talk about three legislative proposals that should be incorporated into the budget that address the interrelated issues of wages, safety-net protections and labor law enforcement.

And I also want to register our strong opposition to the proposed limits on liquidated damages for frequency-of-pay violations that have already been discussed this evening. And if you want to ask me questions about that, I can elaborate on our position.

So the first bill I want to mention is the Upstate Parity and Minimum Wage Protection Act, which Theo has already spoken on it. You know, as it stands, New York's minimum wage will be lower in

inflation-adjusted dollars in 2026 than it was in 2019. And this bifurcated minimum wage structure fails upstate workers in particular by keeping wages well below the statewide living wage of $21 an hour.

So the very least we can do is raise the floor to $17 an hour statewide by 2026, as this bill does.

We also must eliminate those loopholes that would deny our most vulnerable minimum-wage workers a raise if there is even a slight -- I'm talking 0.5 percent -- uptick in our historically low unemployment rate. So we need to address those wage-freeze threats urgently.

Secondly, I want to advocate for passage of the Unemployment Bridge Program. This is a bill that would provide unemployment protections to an estimated 750,000 workers who are currently excluded from traditional UI, including freelancers, self-employed workers, undocumented folks, and certain cash economy workers. We're talking about people earning under 56K. So

really our most vulnerable workers, again.

This is a capped appropriation at 500 million. It's revenue-neutral because we have the Digital Ad Tax incorporated into the bill. We know there are a whole host of issues related to UI that we have to address. This is a parallel program. It does not rely on employer tax.

Lastly -- I have 5 seconds -- I want to advocate for the Empire Worker Protection Act, which would generate $103 million in revenue for the Department of Labor, which we all know we need for enforcement.

CHAIRWOMAN KRUEGER: Thank you.

I know Senator Ramos had a question.

SENATOR RAMOS: Hi, Crystal, how are you.

When we passed the Warehouse Worker Protection Act in 2022, The Business Council issued a memo of opposition saying it would result in frivolous lawsuits and, quote, unquote, a perpetual presumption of retaliation.

We passed the bill, and now it's been

in effect for about half of a year. What kind of spike have your members who are covered by the law seen in frivolous lawsuits?

MS. GRIFFITH: That's a great question. And off the bat I'm going to tell you that is a question for our HR director, Frank Kerbein, who handles those situations from our members. So I'll be very honest, I don't have that answer.

SENATOR RAMOS: Well, let me elaborate a little more so that you can relay to him --

(Overtalk.)

MS. GRIFFITH: But from what I do know right now, we haven't heard anything --

SENATOR RAMOS: -- in fact, Amazon increased their employment footprint in New York, California and Washington, all states with similar quota regulation legislation, in 2023, after the law was enacted, throwing doubt on the anxiety that Amazon would be dissuaded from investing in states that stand up for their workers.

So I would ask that you relay to your

colleague who heads up the HR division that perhaps opposing legislation that keeps workers safe is not so bad for business after all.

Theo, I'm wondering from you if you can go into greater detail on the potential impact the minimum wage indexing off-ramps might have on New York's low-wage workforce. Who makes up the workforce, and what kind of sectors are they in?

MR. MOORE: So the workforce is primarily women of color all across the state. They're working in retail, they're working in hospitality. And really it's -- because it comes at times when there might be a potential economic downturn, it actually would have a reverse impact because those would be the workers who would most need an increase in their wages, that quite frankly would take away from potential economic upturn because those workers, once again, would be spending that extra money in their neighborhoods, putting that money back into the economy.

So it actually, you know, would potentially have the reverse effect that they think it would have.

SENATOR RAMOS: Emma, do you think that in solving this wage-disparity issue, upstate versus downstate, do you think that there would be a significant pump in upstate's economy as a result of this legislation?

MS. KREYCHE: I think what we know from the Fight for 15, what we know historically is that when wages go up, so does consumer spending, and that that fuels economic growth, right? That is a well-established pattern.

So yes, I do. You know, this is not -- this is -- we're talking about a floor, right? You cannot live on $16 an hour in upstate New York in a dignified fashion. You cannot live like that. So that is precisely -- is that for me?

SENATOR RAMOS: Thank you.

MS. KREYCHE: Yes, sorry.

CHAIRWOMAN KRUEGER: (Inaudible.)

ASSEMBLYMAN BRONSON: Yes. So first of all, thank you for highlighting the Upstate Parity and Minimum Wage Act and highlighting the importance of dealing with the disparity from upstate and downstate. And also highlighting that the off-ramp is very problematic, especially for folks who are in certain industries and oftentimes people of color. So I look forward to working with you on that.

We did have a great step forward with getting it indexed. You may or may not know, you know, through the years -- and I started this minimum wage battle in 2004 -- the Assembly always requested indexing, but we could never get it through. And finally we got that. So that's a really good step forward. But it's not enough.

And your point about every time we have raised the minimum wage, the economy has benefited, because low-wage earners immediately go out and spend it and so they are consumers who are putting it right back into the economy.

So no questions, I just look forward to working with you on that as well as the Warehouse Safety Act, and we'll go forward with the Senator on both of those bills. I look forward to doing that.

Question for you, though, Crystal. In workforce development we know -- I mean, we always -- when I was chair of Economic Development, you heard from every employer: I can't find skilled workers. So you have workforce development, job training, skills training, career education, all of that combined to get workers the skills they need to take jobs.

My question for you and The Business Council is, what efforts are you doing to make sure your outreach is connecting marginalized communities and individuals who have been on the economic sidelines for far too long?

MS. GRIFFITH: Thank you for that.

So for us, it's -- and especially my role, like we do a great job at connecting those individuals, and people who are working

with them, with groups or businesses that's doing that work.

So for example, right here, our Capital Region Workforce Development Board, we talk to them all the time, we work with them. They're doing the on-the-ground work with people who need help, who need to get into training programs to get into jobs.

Also there are workforce development boards all around the state, the state ones. There are also smaller ones. We work to say our businesses are doing this. We send out information -- that's not just limited to our members -- via email, we do webinars, we invite people to connect with each other. We have events that connect those people.

So we're working directly with our workforce development boards. We work with higher education institutions. We also have P-TECH where we work to help students get into those roles to directly, you know, help schools work with businesses.

So we're doing that connective work, and we think that's one of the things that we

do some of our best work in also.

ASSEMBLYMAN BRONSON: Okay, thank you very much. Appreciate it.

MS. GRIFFITH: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Senator Martins.

SENATOR MARTINS: Thank you.

I'm going to pick up on that last question as well, Crystal. You know, workforce development -- the economy has changed, frankly, over the last 10, 20, 30 years where skill sets that were important back then aren't important today, and other skill sets are.

You know, can you tell me, in your experience, the importance of the business community working with our government, community colleges -- you know, not everything requires a two- or four-year degree -- certificate programs or apprenticeship programs through so many of our building trades out there. How do we connect people and skill sets to jobs?

MS. GRIFFITH: By making sure we're

identifying what the actual skill sets are for those jobs.

So we work closely with the U.S. Chamber too, and that's something -- just last week we had a conversation on them where we do feel that some jobs need to make sure that we're identifying what the actual requirements are for jobs.

So for example, some jobs might say you have to have a license to be in this role, but really what they're asking for you to have is some type of photo ID to show. So you might not need to drive at all.

So now we need to redefine and make sure we have the correct requirements for jobs so that people aren't misguided so that they aren't turned away or, you know, feel, hey, I'm not qualified for this job.

It's important also for the connection between the higher education institutions and businesses to be working together, because the higher education institutions not only are they working with students, but they work with the community also. A lot of higher

education institutions, they have community programs. You mentioned conflict certificate programs. There are also micro-credentialing programs that institutions have that work directly with the businesses to say, these are the exact skills that they need and to then work with them on attaining those skills. Some of those micro-credentials you can earn in a short amount of time.

And a lot of them also -- you are hired on the job and they'll train you, that the businesses want to do the training -- they just want the loyal workforce. And when you come to them, they'll do the training for you, they're open to doing the training.

And we've also seen an increase in that, where businesses are taking on the responsibility of doing the training themselves and reevaluating, you know, what experience a person has and saying, Hey, where can we best fit you? Or what experience do you have and what can we train you in so that we can get you into a role with us?

SENATOR MARTINS: Thank you.

Chair, that's all I have. Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

ASSEMBLYMAN BRONSON: Yes, Assemblymember Giglio.

ASSEMBLYWOMAN GIGLIO: Yes. So thank you all for being here.

Crystal, I have a question for you. So all these manufacturing jobs where they are seeking workers, do you think that if the state gave tax credits for manufacturers to provide childcare on-site, that that would help fill those positions? Number one.

And then, Theo, for you, I am curious about the training and OSHA certifications that may or may not be happening in a warehouse setting -- but I feel are very important, even if it's only an OSHA 10 course -- so to let people know what the harms are in working in that environment.

So I just want to get both of your feelings on those things.

MS. GRIFFITH: So childcare, yes, yes,

yes. Childcare is always going to be a priority. It's a workforce issue, and that's why we've advocated behind childcare so much, because we recognize that there's a childcare issue.

Do I think that if the state were to implement investments into helping manufacturers be able to provide childcare to their workers, do I think it will be taken -- people will be able to use it, yes. Do I think that manufacturing businesses will say, Hey, this is an opportunity, at least let's give it a shot and see where it goes? Yes. No one's going to just turn that down and, you know, not utilize it or take advantage of the opportunity.

So I do think so, yes.

ASSEMBLYWOMAN GIGLIO: Yeah, because they'd be taking away manufacturing space to provide the childcare, so -- but they would also provide the training for good employment and higher wages in the manufacturing industry.

MS. GRIFFITH: Yes. And in a lot of

manufacturing spaces you're coming onside and you're getting training regardless. I know you asked about what skills someone has, or requirements, but a lot of these -- or some manufacturing businesses are doing their trainings at any level that you're coming in, there's some type of training for you.

ASSEMBLYWOMAN GIGLIO: Yeah. Every manufacturer that I see on Long Island is saying we're hiring, we'll train.

MS. GRIFFITH: They do it for you, yes. Correct. At every level, too, within their company, so that you can have growth. Because like I said, they want -- they want people to stay. So we're going to train you as you go so you can grow throughout our company also.

ASSEMBLYWOMAN GIGLIO: Yup. And there aren't enough women in the manufacturing plants, so I think it would bring more women into the field.

MS. GRIFFITH: Agreed. Agreed.

ASSEMBLYWOMAN GIGLIO: Okay, Theo, please.

MR. MOORE: So one thing about the legislation is that the act would actually provide better worker training, improved on-site medical care, and consistent safety standards across the industry.

A lot of times we do see, you know, injuries because of the pace of warehouses, but a lot of times it's simply because of the jobs that people have that have them in certain positions -- standing, you know, all day, hunched over, you know, the multiple -- you know, the movements that they're making that actually leads to a lot of the injuries.

So there are provisions in the law that, you know, once again would have those ergonomics experts really evaluating the situation on a yearly basis to improve those conditions as well.

ASSEMBLYWOMAN GIGLIO: Yeah, I would love to see some of those conditions if you have something written up.

MR. MOORE: Yeah.

ASSEMBLYWOMAN GIGLIO: I think we would all like to see that, yes.

Thank you both.

MR. MOORE: Thank you.

ASSEMBLYWOMAN GIGLIO: And thank you also.

CHAIRWOMAN KRUEGER: Thank you.

I'm the last Senator, the last legislator? Okay.

Thank you all for your time tonight.

For The Business Council, so you gave the numbers about the number of unemployed, the number of job openings, et cetera, et cetera. So can I infer that The Business Council membership actually doesn't have a problem with people without U.S. citizenship applying for jobs and working for them?

MS. GRIFFITH: So I would not say that's fair to infer -- and we've talked to our membership about this. Our businesses, they want to be able for migrant workers to eventually join their workforce, but they are going to make sure that they need to be legally able to work.

Our businesses are not going to put themselves at risk, where now they're held

accountable because they have someone who was not legally able to work, working for them. In all industries, right, not just in manufacturing -- in all of the business that we represent.

So businesses are open to this -- to this and to welcome this population and this community, but -- I mean, as you all know, on the federal level there's a lot that needs to happen. So once individuals are legally able to work, businesses are open to that.

CHAIRWOMAN KRUEGER: Which I think is exactly what the State of New York was saying in their responses, if they come to apply for civil service jobs.

MS. GRIFFITH: Right.

CHAIRWOMAN KRUEGER: The other two representatives, I gather you also don't have a problem with people applying for jobs that they are legally eligible to apply for and working in your communities or in the areas that you specialize in?

MS. KREYCHE: That's the American dream. That's the American dream, right?

Yes, of course.

CHAIRWOMAN KRUEGER: I always thought so.

MR. MOORE: I mean, even before the recent of migration, newcomers, asylum seekers, immigrants have not only been bolstering and holding down multiple industries across the state, quite frankly they've been maintaining the population of our state. So they're responsible for maintaining industry and really communities and really are a vital part to large sections of our state. You know, think about Western New York and what it would be without its immigrant population. Think about, you know, what our farming industry would be in Central New York without our immigrant population.

Quite frankly, you know, the economic stability of this state really depends on, you know, quite frankly, our immigrant population and our Black and brown population, and we really have to respect that and give them their due.

CHAIRWOMAN KRUEGER: Thank you.

So with that, I'm going to thank you all for your time with us tonight. Appreciate your hanging out to the end. Thank you, all the legislators who have hung out with us through the end of the hearing.

I'm going to officially say that this hearing is completed. But if you want to come back here tomorrow morning at 9:30, we get to start all over again with a new set of topics with Human Services.

So thank you all. Get home safe. Thank you.

(Whereupon, the budget hearing concluded at 7:43 p.m.)